THIS CIRCULAR IS IMPORTANT AND REQUEST YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker, licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **Unity Enterprise Holdings Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

This circular is for information purpose only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.

Unity Enterprise Holdings Limited
盈滙企業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2195)

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF 100% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE AND THE ISSUE OF PROMISSORY NOTE PROPOSED SHARE CONSOLIDATION CHANGE IN BOARD LOT SIZE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the EGM to be held at Unit 1002, 10/F, Billion Trade Centre, 31 Hung To Road, Kwun Tong, Kowloon on 24 October 2025 (Friday) at 11:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular for despatch to the Shareholders. Whether or not you intend to attend and/or vote at the EGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as practicable but in any event by 11:00 a.m. on Wednesday, 22 October 2025 or not later than 48 hours before the time specified for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

30 September 2025

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In this circular, unless otherwise defined, the following expressions have the following meanings:

"Acquisition"	the acquisition of the Sale Shares by the Purchaser from the Vendor pursuant to the Sale and Purchase Agreement
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Breakeven Guarantee"	the breakeven guarantee provided by the Vendor to the Purchaser in relation to actual consolidated net profit after tax excluding all extraordinary items of the Target Company for each of the two years ending 31 December 2029
"Business Day"	any day (other than a Saturday or a Sunday or public holiday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is issued in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not cancelled at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business
"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Change in Board Lot Size"	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 5,000 Existing Shares to 10,000 Consolidated Shares
"Company"	Unity Enterprise Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
"Completion"	the completion of the Acquisition pursuant to the terms and conditions of the Sale and Purchase Agreement
"Completion Date"	the date on which Completion shall take place in accordance with the terms and conditions of the Sale and Purchase Agreement
"Conditions Precedent"	the conditions precedent to the Completion, as more particularly set out under the paragraph headed "The Sale and Purchase Agreement — Conditions Precedent" in the "Letter From the Board"
"connected person(s)"	has the meaning ascribed to it under the Listing Rules

"Consideration"	the consideration of HK$35,000,000 for the Acquisition
"Consideration Shares"	an aggregate of up to 281,904,762 new Shares to be allotted and issued by the Company to the Vendor credited as fully paid for the purpose of the settlement of part of the Consideration
"Consolidated Share(s)"	ordinary share(s) of the Company immediately after the Share Consolidation becoming effective
"controlling shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"EGM"	an extraordinary general meeting of the Company to be held on 24 October 2025 (Friday) at 11:00 a.m. at Unit 1002, 10/F, Billion Trade Centre, 31 Hung To Road, Kwun Tong, Kowloon to approve, among other things, (i) the Sale and Purchase Agreement and the transaction contemplated thereunder, and (ii) the Share Consolidation and matters contemplated thereunder
"Existing Share(s)"	ordinary share(s) of the Company prior to the Share Consolidation becoming effective
"General Mandate"	the mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 19 June 2025 to issue, allot and deal with up to 20% of the then issued share capital of the Company as at the date of the annual general meeting
"General Rules of HKSCC"	the terms and conditions regulating the use of HKSCC's services, as may be amended, supplemented and/or otherwise modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKSCC"	Hong Kong Securities Clearing Company Limited
"HKSCC Operational Procedures"	the operational procedures of the HKSCC, containing the practices, procedures and administrative or other requirements relating to the operations and functions of CCASS, as from time to time in force

"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Independent Shareholders"	Shareholders who have no material interest in, and are not required to abstain from voting at the EGM to approve, the Sale and Purchase Agreement and the transaction contemplated thereunder
"Independent Third Party(ies)"	person(s) or company(ies) and whose ultimate beneficial owner who/which is/are independent of the Directors, chief executive and substantial shareholders of the Company and its subsidiaries and any of their respective associates as defined in the Listing Rules
"Independent Valuer"	Valtech Valuation Advisory Limited, an independent valuer
"Latest Practicable Date"	25 September 2025, being the latest practicable date for the purpose of ascertaining certain information contained therein
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
"Long Stop Date"	31 December 2025, or such other date(s) as may be agreed in writing by the Vendor, the Purchaser and the Target Company, being the latest date on which the Conditions Precedent must be satisfied or waived (as the case may be)
"Profit Guarantee"	the profit guarantee provided by the Vendor to the Purchaser in relation to the actual consolidated net profit after tax excluding all extraordinary items of the Target Company (including the management fees charged by the Company) for the three years ending 31 December 2027
"Promissory Note"	the promissory note in the principal amount of HK$24,146,666.66 to be issued by the Purchaser in favour of the Vendor to settle part of the consideration under Sale and Purchase Agreement
"Purchaser"	Silver Crest Global Limited (銀峰環球有限公司), a company incorporated in British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company

"Sale and Purchase Agreement"	the sale and purchase agreement dated 6 August 2025 entered into among the Purchaser, the Vendor and the Target Company in relation to the Acquisition
"Sale Shares"	10,000 shares (credited as fully paid) of the Target Company, representing the entire equity interest in the Target Company
"SFO"	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
"Share(s)"	ordinary share(s) of HK$0.01 in the capital of the Company
"Share Consolidation"	the proposed share consolidation on the basis that every ten (10) issued Existing Shares be consolidated into one (1) Consolidated Share and to round down the number of Consolidated Shares in the issued share capital of the Company to the nearest whole number by disregarding each and every fractional Consolidated Share which would otherwise arise therefrom
"Shareholder(s)"	shareholder(s) of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder(s)"	has the meaning ascribed to it under the Listing Rules
"Target Company"	Newco Construction Engineering Limited (新貴建築工程有限公司), a company incorporated in Hong Kong with limited liability
"Valuation"	the indicative fair market valuation of the entire equity interest in the Target Company as at the Valuation Date, as assessed by the Independent Valuer and set out in the Valuation Report
"Valuation Date"	31 March 2025
"Valuation Report"	the report prepared by the Independent Valuer on the indicative fair market valuation of the entire equity interest in the Target Company as at the Valuation Date
"Vendor"	Mr. Yuen Kin Wai (袁建威先生), an Independent Third Party
"%"	per cent

The expected timetable for the Share Consolidation and the Change in Board Lot Size is set out below. The expected timetable is subject to the results of the EGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this circular refer to Hong Kong local times and dates.

Latest date and time for lodging transfer documents in order to qualify for attending and voting at the EGM	4:00 p.m. on Friday, 17 October 2025
Closure of register of members for the determination of the entitlement to attend and vote at the EGM	Monday, 20 October 2025 to Friday, 24 October 2025 (both dates inclusive)
Latest date and time for lodging forms of proxy for the EGM	11:00 a.m. on Wednesday, 22 October 2025
Record date for attending the EGM	Friday, 24 October 2025
Date and time of the EGM	11:00 a.m. on Friday, 24 October 2025
Announcement of voting results of the EGM	Friday, 24 October 2025

The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation and the Change in Board Lot Size as set out in this circular

Effective date of the Share Consolidation	Tuesday, 28 October 2025
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Tuesday, 28 October 2025
Dealings in the Consolidated Shares commence	9:00 a.m., Tuesday, 28 October 2025
Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m., Tuesday, 28 October 2025
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m., Tuesday, 28 October 2025

Original counter for trading in the Consolidated Shares in board lots of 10,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m., Wednesday, 12 November 2025
Parallel trading in the Consolidated Shares (in form of new share certificates and existing share certificates) commences	9:00 a.m., Wednesday, 12 November 2025
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m., Wednesday, 12 November 2025
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 2 December 2025
Temporary counter for trading in the Consolidated Shares in board lots of 500 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 2 December 2025
Parallel trading in Consolidated Shares (in form of new share certificates and existing share certificates) ends	4:10 p.m. on Tuesday, 2 December 2025
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	Thursday, 4 December 2025

Unity Enterprise Holdings Limited
盈滙企業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2195)

Executive Director:
Mr. Chan Leung

Independent non-executive Directors:
Ms. Chan Mei Wah
Mr. Mak Alexander
Mr. Wu Hak Ping

Registered office:
71 Fort Street
PO Box 500
George Town
Grand Cayman KY1-1106
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 1002, 10/F
Billion Trade Centre
31 Hung To Road
Kwun Tong, Kowloon
Hong Kong

30 September 2025

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO ACQUISITION OF 100% EQUITY INTEREST IN THE TARGET COMPANY INVOLVING THE ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE AND THE ISSUE OF PROMISSORY NOTE PROPOSED SHARE CONSOLIDATION CHANGE IN BOARD LOT SIZE AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Reference is made (i) to the announcement of the Company dated 6 August 2025 regarding the major transaction in relation to acquisition of 100% equity interest in the Target Company involving the issue of Consideration Shares under General Mandate and the issue of Promissory Note, and (ii) to the announcement of the Company dated 10 September 2025 in relation to the proposed Share Consolidation and the Change in Board Lot Size.

The purpose of this circular is (i) to provide the Shareholders with further information on the Sales and Purchase Agreement and the transaction thereunder; (ii) the proposed Share Consolidation and the Change in Board Lot Size; and (iii) to give the Shareholders a notice of the EGM and other information in accordance with the requirements of the Listing Rules.

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Date

6 August 2025 (after trading hours)

Parties

(i) the Vendor;

(ii) the Purchaser; and

(iii) the Target Company.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is an Independent Third Party.

To the best of the director's knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Vendor and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the Acquisition.

Upon the allotment and issue of the Consideration Shares to the Vendor as settlement of part of the Consideration at Completion, the Vendor will become a Substantial Shareholder and thus a Connected Person.

Introduction of the Vendor

The Vendor was introduced to the Company by Mr. Yeung Wing Sun ("**Mr. Yeung**"), a former executive director of the Company who resigned on 12 January 2023. Mr. Yeung currently remains a director of certain subsidiaries of the Group. Mr. Yeung is also a controlling shareholder (as defined in the Listing Rules) of the Company. As confirmed by both Mr. Yeung and the Vendor, they have known each other for more than 15 years through their respective involvement in the construction industry. Owing to the lapse of time, they cannot recall the exact occasion on which they first met.

Subject matter

Pursuant to the Sale and Purchase Agreement and subject to the fulfillment (or wavier where applicable) of the Conditions Precedent, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, the Sale Shares, representing the entire equity interest in the Target Company as at the Latest Practicable Date.

Upon Completion, the Group will be interested in 100% of the equity interest of the Target Company. As such, the Target Company will become a wholly-owned subsidiary of the Group and the financial results of the Target Company will be consolidated into the accounts of the Group.

Consideration

Pursuant to the Sale and Purchase Agreement, the total Consideration for the Acquisition of HK$35,000,000 shall be satisfied by way of (i) the allotment and issue of 281,904,762 Consideration Shares at the issue price of HK$0.0385 per Consideration Share, representing the total value of approximately HK$10,853,333.34 and (ii) the issue of the Promissory Note with the principal amount of HK$24,146,666.66 by the Company and the Purchaser, respectively to the Vendor or its nominee(s) on Completion or any other dates as the parties otherwise agree in writing.

Basis of Consideration

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser and was determined with reference to the (i) Valuation Report which provides that, as at the Valuation Date, the appraised value of 100% equity interest in the Target Company on the basis of the approach of Guideline Publicly-traded Comparable Method (i.e. by comparing the valuations of companies listed on the Stock Exchange engaged in the provision of repair, maintenance, alteration and addition and related works in Hong Kong) was approximately HK$35,355,000, which was confirmed by both the Board and the Independent Valuer that there were no material issues which may lead to a material changes to the Valuation between the Valuation Date and the Latest Practicable Date; (ii) historical financial performance of the Target Company for the two years ended 31 March 2024 and 2025; and (iii) the prospect of the Target Company and the potential synergies between the Target Company and the Company as assessed by the Company, further details of which are set out in the section headed "REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT".

Having considered the aforesaid factors, the Board considered that the Consideration is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Consideration Shares

The issue price of each Consideration Share is HK$0.0385, which represents:

(i) a discount of approximately 19.79% to the closing price of HK$0.048 per Share as quoted on the Stock Exchange on 6 August 2025, being the date of the Sale and Purchase Agreement;

(ii) a discount of approximately 17.38% to the average closing price of HK$0.0466 per Share as quoted on the Stock Exchange for the five (5) trading days immediately prior to the date of the Sale and Purchase Agreement; and

(iii) a discount of approximately 16.21% to the average closing price of HK$0.04595 per Share as quoted on the Stock Exchange for the 20 trading days immediately prior to the date of the Sale and Purchase Agreement.

Comparison of Issue Price with Net Asset Value per Share

The table below sets out a comparison of the issue price of each of the Consideration Shares (HK$0.0385) with the audited net asset value ("**NAV**") per Share as at 31 December 2024 and the unaudited NAV per Share as at 30 June 2025:

Date	**NAV**	**No. of issued Shares**	**NAV per Share**	**Discount to NAV per Share**
	(HK$'000)		*(HK$)*	
31 December 2024 (audited)	120,878	1,174,603,175	0.1029	62.59%
30 June 2025 (unaudited)	118,532	1,409,523,810	0.0841	54.22%

The issue price of HK$0.0385 per Share therefore represents a discount of approximately 62.59% to the audited NAV per Share as at 31 December 2024 and approximately 54.22% to the unaudited NAV per Share as at 30 June 2025.

The issue price of the Shares was determined after arm's length negotiations between the Vendor and the Purchaser to the Sale and Purchase Agreement, with reference to (i) the prevailing market price of the Shares, (ii) the financial performance of the Group, and (iii) the current market conditions, as set out below:

1. Prevailing Market Price of the Shares

Based on the closing price data of the Shares from 2 January 2025 to 6 August 2025 (as extracted from the trading records of the Stock Exchange):

- The highest closing price during the period was HK$0.066 per Share (recorded on 3 January 2025 and 24 January 2025).

- The lowest closing price during the period was HK$0.040 per Share (recorded on 20 June 2025 and 23 June 2025).

- The closing price of the Shares reflected a general downward trend since January 2025, with increased volatility and trading volume observed particularly from March to early August 2025. Notably, significant spikes in trading volume (such as on 10 March 2025 and 4 August 2025) did not sustain an upward momentum in the share price.

The issue price was determined with reference to the above trading range and closing price trends, while also ensuring that it would be both attractive to the Vendor and reflective of the market valuation of the Shares during the period.

While the issue price of HK$0.0385 per Share is below the lowest closing price of HK$0.040 per Share recorded during the relevant period, the Board considers this appropriate in light of (i) the persistent downward trend and volatility in the Share price during the first eight months of 2025, which indicated that the then market prices might not be sustainable; and (ii) the limited trading liquidity, under which small trades could cause material price movements. The issue price was therefore set at a modest discount to the observed range so as to balance the interests of the Company and the Vendor, to enhance the certainty of securing the Vendor's acceptance, and to better reflect the practical market valuation of the Shares during the period.

2. *Financial Performance of the Group*

The Group has continued to record losses in recent years, which exerted downward pressure on valuation:

- For the year ended 31 December 2024, the Group recorded:

  — Gross loss: approximately HK$1.5 million (2023: HK$16.6 million).

  — Net loss attributable to owners: approximately HK$27.0 million (2023: HK$29.4 million).

While there has been improvement in gross loss and a narrowing of net loss, the Group has yet to achieve profitability. This factor was taken into account in agreeing the issue price, which reflects the current financial challenges.

3. *Current Market Conditions*

The operating environment of the Group remains difficult:

- The demand for RMAA (repair, maintenance, alteration, and addition) works in the construction industry continues to face pressure.

- The Company is not aware of any significant social or economic factors that would support a substantial rebound in demand in the near term.

In light of the above, the Directors note that while the issue price of HK$0.0385 per Share represents discounts to both the prevailing market prices and the net asset value per Share:

1. the discounts to recent market prices are all below 20% and within market norms for similar transactions;

2. the Group is currently in a gross loss position and the Acquisition, supported by the Vendor's provision of the Profit Guarantee and the Breakeven Guarantee, is expected to strengthen the earnings base of the Group and enhance its overall operating position; and

3. the issue price was determined after arm's length negotiation between the parties, taking into account the financial performance and future prospects of the Target Company as well as the commercial benefits of the Acquisition.

Having considered the above factors, the Board is of the view that the issue price of the Consideration Shares is fair and reasonable notwithstanding their discount to the latest market price and the NAV per Share, and that the Acquisition is in the interests of the Company and its Shareholders as a whole, despite the potential dilution effect on the existing Shareholders.

An aggregate of 281,904,762 Consideration Shares will be allotted and issued to Vendor as set out in the section headed "Consideration" above, which represent approximately 20% of the issued share capital of the Company as at the Latest Practicable Date and approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Consideration Shares. As at the Latest Practicable Date, (i) the Company had an authorised share capital of HK$100,000,000 divided into 10,000,000,000 shares of HK$0.01 each, (ii) the Company did not hold any treasury shares, and (iii) there were a total of 1,409,523,810 Shares in issue.

The Consideration Shares shall be allotted and issued pursuant to the General Mandate, credited as fully paid, and shall rank *pari passu* in all respects among themselves and with the Shares in issue on the date of such allotment and issue, including the right to receive all dividends and distributions which may be declared, made or paid after the closing and will be issued free and clean of all liens, encumbrances, equities or other third party rights.

The allotment and issue of the Consideration Shares under the General Mandate is within the limit of the General Mandate and is not subject to the approval of the Shareholders.

Application of Listing

An application will be made to the Stock Exchange by the Company for the listing of, and permission to deal in, the Consideration Shares.

The Promissory Note

Subject to the terms and conditions of the Sale and Purchase Agreement, the Purchaser shall issue the Promissory Note to the Vendor for settlement of part of the Consideration. The principal terms and conditions of the Promissory Note are as follows:

Issuer:	The Purchaser
Noteholder:	The Vendor
Principal amount:	HK$24,146,666.66
Interest:	Nil
Maturity date:	The date falling eighteen (18) months after the date of issue of the Promissory Note.
Security:	The obligations of the Purchaser under the Promissory Note are unsecured.
Amendments:	The terms and conditions of the Promissory Note may be varied, expanded or amended by agreement in writing between the Purchaser and the Vendor.
Transferability:	The Promissory Note may be transferred or assigned by the Vendor to any persons (except for Connected Persons of the Company) provided that the Vendor shall serve a prior written notice to Purchaser of not less than ten (10) Business Days.
Early redemption:	The Promissory Note may be repaid in whole or in part by Purchaser at its absolute discretion at any time prior to its maturity without premium or penalty by Purchaser giving the Vendor not less than three (3) Business Days' prior written notice specifying the amount to be so prepaid.

Conditions precedent

Completion of the Acquisition shall be conditional upon fulfilment (or where applicable, wavier thereof by the Purchaser) of the following conditions:

(a) The Vendor having demonstrated that it is the legal and beneficial owner of the Sale Shares, free from any encumbrance;

(b) The Purchaser being satisfied with the process and results of the due diligence conducted on the Target Company;

(c) The Purchaser having complied with all applicable laws, rules and regulations (including without limitation the Listing Rules) in connection with the execution of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(d) No objection or comment having been raised by the Stock Exchange or any other relevant regulatory authority in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;

(e) The approval for the listing of, and permission to deal in, the Consideration Shares having been granted by the Stock Exchange, and such approval not having been revoked prior to Completion;

(f) The Vendor having delivered to the Purchaser the completion accounts of the Target Company as required under the Sale and Purchase Agreement;

(g) All necessary consents and authorisations required under any existing contractual arrangements or documents for the implementation of the Sale and Purchase Agreement and the transactions contemplated thereunder having been obtained, including but not limited to the approval of the transaction by the Shareholders of the Company at the EGM;

(h) All necessary governmental, regulatory or other approvals, authorisations or consents which the Purchaser (after consultation with the Vendor) reasonably considers necessary or desirable for the purpose of implementing the transactions contemplated under the Sale and Purchase Agreement having been obtained;

(i) The Purchaser being satisfied with the assets, liabilities, condition, affairs and circumstances (financial or otherwise) of the Target Company as at and including the date of Completion (including the financial statements and accounts of the Target Company);

(j) The Purchaser being satisfied that the accounts, warranties, representations and undertakings given by the Vendor under the Sale and Purchase Agreement are true, accurate and not misleading in all respects as at and up to Completion, and that there has been no undisclosed matter;

(k) The Purchaser being satisfied that the Vendor has duly observed and performed all the terms and conditions of the Sale and Purchase Agreement to be observed and performed by the Vendor as at or prior to Completion; and

(l) The Purchaser having been provided with any other documentary evidence reasonably required to demonstrate the due satisfaction and fulfilment of any or all of the above conditions precedent.

Save as Conditions Precedent (c), (d), (e), (g) and (h), the Purchaser is entitled to waive in whole or in part any of the Conditions Precedent by written notice. In the event that any of the Conditions Precedents are deemed not to have been fulfilled or are not fulfilled or waived (if applicable), in each case, at or before 1:00 p.m. on the Long Stop Date, the Sale and Purchase Agreement and everything contained in it shall terminate and be null and void and of no further effect and no party to the Sale and Purchase Agreement shall have any liability to any other party, save in respect of any prior breaches of the Sale and Purchase Agreement.

As at the Latest Practicable Date, as confirmed by the Directors, (i) the Conditions Precedent (a) and (b) have been fulfilled, (ii) none of the Conditions Precedent has been waived.

Completion

After the fulfilment or waiver (if applicable) of all the Conditions Precedent, Completion shall take place on the Completion Date. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and therefore, the financial information of the Target Company will be consolidated into the consolidated financial statements of the Group.

Profit Guarantee

Pursuant to the Sale and Purchase Agreement, the Vendor warrants and undertakes to the Purchaser that the audited consolidated net profit after tax excluding all extraordinary items of the Target Company (including the management fees charged by the Company) (the "**First Batch Actual Net Profit**") for the three years ending 31 December 2027, as derived in its respective audited financial statements shall not be less than HK$15 million in aggregate ("**Guaranteed Profit**").

Any management fees that may be charged are expected to arise from the provision of project management services by the Company to the Target Company. Such fees will be added back to the net profit after tax of the Target Company when assessing the Guaranteed Profit. Following negotiations with the Vendor, the Board considers these fees to be inter-group costs, and therefore believes it would not be reasonable to treat such management fees as a burden on the Target Company.

If the First Batch Actual Net Profit in aggregate for the three years ending 31 December 2027 is less than the Guaranteed Profit in aggregate for the three years ending 31 December 2027, the Vendor shall be obliged to pay to the Purchaser in cash an amount equivalent to three (3) times the shortfall between the First Batch Actual Net Profit and the Guaranteed Profit ("**Profit Difference Compensation**"), within 14 days after the issuance of the Target Company's audited financial statements for the three years ending 31 December 2027 to the Purchaser, which are expected to be issued on or before 30 June 2027.

The Profit Difference Compensation is capped at the amount of the Consideration, which is HK$35,000,000.

The Guaranteed Profit was determined through arm's length negotiations between the Vendor and the Company, taking into account: (i) the historical financial performance of the Target Company for the years ended 31 March 2024 and 31 March 2025, which demonstrated a stable upward trend; (ii) the anticipated synergies within the Enlarged Group, which are expected to enable the Target Company to capture additional business opportunities in its principal areas of operation; (iii) the Profit Guarantee mechanism, which serves as an additional protection measure for the Company and its shareholders following Completion; and (iv) the reasons and benefits set out in the section "REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT" below.

In view of the above, the Board believes that the Guaranteed Profit is attainable, fair, and reasonable.

Project Management Services and Management Fee

Following completion of the Acquisition, the Company may provide project management services to the Target Company. Such services are expected to cover, among others, overall coordination and supervision of construction projects, allocation of technical and administrative resources, support in tender preparation and submission, and provision of financial, compliance and corporate management functions as and when required. The purpose of these services is to ensure that the Target Company can leverage the Group's expertise, systems and management resources to enhance its operational efficiency and project execution capacity.

There is currently no formal agreement governing such project management services. Any management fee to be charged is notional in nature, given that it will not have an impact on the Group's consolidated financial statements nor the assessment of the Guaranteed Profit under the Profit Guarantee arrangements. The rationale for charging management fees is that, as the Target Company will utilise increasing resources of the Group after completion, an allocation of relevant costs to the Target Company would be appropriate. The amount of management fee, if any, will be determined through internal negotiation, taking into account the level of resources of the Group utilised by the Target Company and the profit performance of the Target Company from time to time.

Breakeven Guarantee

Pursuant to the Sale and Purchase Agreement, the Vendor warrants and undertakes to the Purchaser that the audited consolidated net profit after tax, excluding all extraordinary items, of the Target Company (the "**Second Batch Actual Net Profit**") for each of the two years ending 31 December 2028 and 31 December 2029, as reflected in its respective audited financial statements, shall not be less than zero. The Breakeven Guarantee will be assessed on a year-by-year basis. Accordingly, if the audited consolidated net profit after tax, excluding all extraordinary items, of the Target Company for either the year ended 31 December 2028 or the year ended 31 December 2029 is less than zero, the Vendor shall be obligated to pay to the Purchaser, in cash, an amount equivalent to the absolute value of such loss (the "**Breakeven Compensation**") for the corresponding year.

The Breakeven Guarantee will be assessed within 14 days after the issuance of the Target Company's audited financial statements for each of the two years ending 31 December 2028 and 31 December 2029, which are expected to be provided to the Purchaser on or before 30 June 2030.

The Breakeven Guarantee is designed based on the Target Company's projected financial performance for the fourth and fifth years after Completion, with the aim of incentivising the Target Company to maintain viable and sustainable operations, while also providing an additional layer of protection for the Company and its Shareholders.

In the event that the Vendor fails to fulfill its obligations under either the Profit Guarantee or the Breakeven Guarantee, the Company will (i) enter into negotiations with the Vendor regarding the repurchase of the Sale Shares by the Vendor; or (ii) instruct its legal advisers to issue a demand letter to the Vendor requiring repayment within a prescribed period. If the Vendor fails to respond or comply, the Company will consider initiating legal proceedings to safeguard the interests of the Company and its Shareholders as a whole.

The Board acknowledges that the Consideration will be fully settled prior to the completion of the Profit Guarantee period, with the Consideration Shares to be issued upon Completion and the Promissory Notes maturing 18 months after issuance. The Board has carefully assessed the associated risks, including potential dilution to the existing shareholders and possible financial loss should the Vendor fail to fulfil its obligations under the Profit Guarantee and/or Breakeven Guarantee.

In forming its view that the terms of the Sale and Purchase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole, the Board has taken into consideration the following:

1. Profit Guarantee Mechanism as Strong Protection

   - The Vendor has undertaken a Guaranteed Profit of HK$15 million in aggregate for the three years ending 31 December 2027, supported by a Profit Difference Compensation of three times the shortfall (capped at the Consideration of HK$35 million).

   - The multiplier of three times provides a significant deterrent against underperformance, ensuring that the Vendor remains incentivised to deliver the agreed financial results.

   - The cap at the Consideration ensures that the Company is not overcompensated but is adequately protected up to the full value of its investment.

2. Breakeven Guarantee Extending Protection Beyond 2027

   - The Breakeven Guarantee for the years ending 31 December 2028 and 2029 further safeguards the Company against potential post-Profit Guarantee deterioration.

   - This ensures that the Target Company will remain at least profitable on a net basis during years four and five after Completion, reinforcing the sustainability of the investment.

3. Vendor's Ongoing Obligations and Remedies Available to the Company

   - If the Vendor fails to fulfil the Profit Guarantee or the Breakeven Guarantee, the Company is contractually entitled to demand cash compensation.

   - In the event of non-compliance, the Company has reserved rights to pursue remedies that include instructing legal advisers to issue demand letters, initiating legal proceedings, or negotiating a repurchase of the Sale Shares by the Vendor.

4. Commercial Rationale and Risk Mitigation

   - The Guaranteed Profit was determined after due diligence and arm's length negotiations, with due regard to (i) the Target Company's historical financial performance, and (ii) projected synergies to be realised by the Enlarged Group.

   - The Company therefore considers the Guaranteed Profit to be attainable.

   - While acknowledging the dilution impact arising from the issuance of the Consideration Shares upon Completion, the Board believes that such impact is outweighed by the potential accretive value to be contributed by the Target Company under the Guaranteed Profit and Breakeven Guarantee framework.

On the basis of the above safeguards, contractual protections, and commercial rationale, the Board considers that despite the fact that the Consideration will be settled in advance of the Profit Guarantee period, the terms of the Sale and Purchase Agreement remain fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Business Model and Staffing

The Group and the Target Company are principally engaged as contractors for repair, maintenance, alteration and addition (**RMAA**) works in Hong Kong, participating in competitive tendering for both public and private sector projects. Their services primarily cover structural repair, fitting-out works, addition and alteration, and related project management services.

As at the Latest Practicable Date, the Group employed approximately 15 full time staff, while the Target Company employed approximately 3 full time staff, comprising project managers, engineers, site supervisors and administrative personnel.

Tenders Submitted

From January 2025 and up to the Latest Practicable Date, the Group had submitted 15 tenders with an aggregate contract sum of approximately HK$245 million, while the Target Company had submitted 12 tenders with an aggregate contract sum of approximately HK$102 million.

Projects on Hand and Customer Base (Size and Diversity)

All of the projects listed below had been awarded and were ongoing as at the Latest Practicable Date, and none of them were under negotiation. Details of the projects on hand as at the Latest Practicable Date are set out below:

The Group

Item	Project	Contract Sum *(HK$)*	Unpaid Contract Sum *(HK$)*	Nature of Service	Commencement Time	Duration *(Months)*	Expected Completion Time	Customer
1	Fitting-out works for Administration Building — Package C, Open Plan Areas (6/F and 7/F), Fo Tan Railway House	28,703,925.00	7,575,652.00	Fitting-out works for office premises of a statutory body	March-2025	7	October-2025	Statutory body
2	Fitting-out works for management office at PopCorn 2, Tseung Kwan O	188,940.00	4,810.00	Fitting-out works for customer service facilities in a commercial centre	May-2025	4	September-2025	Statutory body
3	Fitting-out works at 5/F Fo Tan Railway House, Shatin	16,150,170.00	8,515,152.00	Fitting-out works for office premises of a statutory body	May-2025	6	November-2025	Statutory body
4	Residential renovation at No. 6 Lok Wo Road, Happy Valley (entire building)	250,000,000.00	36,790,889.00	Repair and maintenance	July-2019	83	June-2026	Main contractor
5	Residential renovation at Tak Fok Garden, Kowloon City (entire complex)	88,996,340.00	200,000.00	Repair and maintenance	December-2020	62	February-2026	Statutory body
6	Clearwater Bay School — Re-flooring of circulation routes (multi-year contract)	4,328,538.00	3,152,538.00	Repair and maintenance works for school facilities	January-2024	25	February-2026	School
7	Residential renovation at Robinson Place, Kennedy Town (entire building)	150,000,000.00	32,142,600.00	Repair and maintenance	January-2024	23	December-2025	Main contractor

Item	Project	Contract Sum (HK$)	Unpaid Contract Sum (HK$)	Nature of Service	Commencement Time	Duration (Months)	Expected Completion Time	Customer
8	Residential renovation at Wah Tat Court, Sai Ying Pun (entire building)	3,143,664.00	325,803.00	Repair and maintenance	May-2024	19	December-2025	Main contractor
9	Residential renovation at Sun Po Building, Sai Ying Pun (entire building)	1,599,068.00	1,039,395.00	Repair and maintenance	November-2024	10	September-2025	Main contractor
10	Industrial renovation at Wilson Logistics Centre, Kwai Chung (specific floors/ facilities)	645,713.00	90,857.00	Repair and maintenance	November-2024	10	September-2025	Main contractor
11	Industrial renovation at Kwai Shun Industrial Centre, Kwai Chung (common areas)	54,800.00	126,000.00	Repair and maintenance	April-2024	19	November-2025	Main contractor
12	Residential renovation at Yee Lok Garden, Tuen Mun (entire building)	56,000,000.00	1,700,000.00	Repair and maintenance	May-2024	21	February-2026	Main contractor
13	Residential renovation at Tsuen Wan (entire estate)	10,126,000.00	10,126,000.00	Repair and maintenance	October-2023	24	October-2025	Incorporated Owners
14	Institutional development — renovation at school premises	8,300,000.00	8,300,000.00	Repair and maintenance works for school facilities	May-2024	16	September-2025	School
15	Industrial renovation at Kwun Tong (common facilities)	460,000.00	460,000.00	Repair and maintenance	August-2024	15	November-2025	Incorporated Owners

Item	Project	Contract Sum *(HK$)*	Unpaid Contract Sum *(HK$)*	Nature of Service	Commencement Time	Duration *(Months)*	Expected Completion Time	Customer
16	Residential renovation at Repulse Bay Garden, Tuen Mun (entire building)	50,500,000.00	25,000,000.00	Repair and maintenance	January-2025	14	March-2026	Incorporated Owners
17	Institutional development — enhancement of secondary school campus	16,000,000.00	6,500,000.00	Repair and maintenance works for school facilities	April-2025	18	October-2026	School
18	Residential renovation at Mei Foo Sun Chuen (entire blocks under contract)	122,112,000.00	27,352,631.00	Repair and maintenance	June-2025	23	May-2027	Main contractor

Notes:

1. The term "Statutory body" refers to organisations established under statutory authority in Hong Kong. It does not refer to the Government of the Hong Kong Special Administrative Region or any of its departments. The relevant statutory body in the above table is a corporation established pursuant to a specific ordinance in Hong Kong.

2. The figures set out above reflect the "Unpaid Contract Sum" of the respective projects as at the Latest Practicable Date.

The Group has an established customer base comprising both public sector clients (such as statutory bodies and public organisations) and private sector clients (including main contractors and incorporated owners). As at the Latest Practicable Date, the Group had 12 active customers. The Group's customer base is considered moderately concentrated, with its largest customer accounting for approximately 33.6% of the Group's total revenue for the six months ended 30 June 2025.

The Target Company

Item	Project	Contract Sum *(HK$)*	Unpaid Contract Sum *(HK$)*	Nature of Service	Commencement Time	Duration *(Months)*	Expected Completion Time	Customer
1	Residential renovation in Beacon Hill (Tian Lok Yuen estate — perimeter wall works)	1,477,885.00	1,377,885.00	Repair and maintenance (wall works)	June-2025	7	January-2026	Incorporated Owners
2	Industrial renovation in Tuen Mun (Kai Cheung Industrial Building — roof and platform areas)	6,000,000.00	4,834,108.00	Waterproofing works	May-2025	6	November-2025	Incorporated Owners
3	Residential renovation in Kowloon (Ba Fu Street 1–3, entire building)	6,768,200.00	4,289,375.00	General repair and maintenance	May-2025	7	December-2025	Incorporated Owners
4	Residential renovation in Tsim Sha Tsui (Shanlin Road 34–36, entire building)	1,800,000.00	1,260,000.00	Fire safety compliance works	December-2024	11	November-2025	Incorporated Owners
5	Residential renovation in Wanchai (Lee Cheong Building, entire building)	2,137,000.00	2,137,000	Fire safety compliance works	December-2025	12	December-2026	Incorporated Owners
6	Residential renovation in Mong Kok (Prince Edward Building — common plumbing areas)	361,500.00	13,075.00	Pipe improvement works	July-2024	15	October-2025	Incorporated Owners
7	Residential renovation in Kennedy Town (Wing Tai Building, entire building)	2,264,552.00	1,749,186.00	Fire safety compliance works	August-2024	15	November-2025	Incorporated Owners
8	Commercial renovation in Yau Ma Tei (Ka Sing Commercial Centre — office/ commercial premises)	1,851,808.00	727,105.00	Fire safety compliance works	April-2024	17	September-2025	Incorporated Owners

Item	Project	Contract Sum (HK$)	Unpaid Contract Sum (HK$)	Nature of Service	Commencement Time	Duration (Months)	Expected Completion Time	Customer
9	Residential renovation in Happy Valley (Lee Chi Building, Leighton Road — entire building, subject to Mandatory Building Inspection Scheme)	4,783,700.00	890,120.00	Mandatory Building Inspection Scheme works	May-2024	19	December-2025	Incorporated Owners
10	Hotel renovation in Kwun Tong (King Yip Street 69–71, full hotel block)	30,362,500.00	4,325,000.00	Hotel renovation works	November-2024	33	August-2027	Main contractor

Note: The figures set out above reflect the "Unpaid Contract Sum" of the respective projects as at the Latest Practicable Date.

The Target Company maintains a customer portfolio encompassing mostly private sector clients (main contractors and incorporated owners). As at the Latest Practicable Date, the Target Company had 10 active customers. For the year ended 31 March 2025, the Target Company recorded revenue of approximately HK$50.1 million in total, of which approximately HK$35.4 million, representing about 71%, was attributable to two major customers, each of whom contributed more than 10% of the Target Company's total revenue. Such concentration is considered normal in the construction industry as revenue is recognised on a project-by-project basis, and the identity and proportion of major customers may vary from year to year depending on project scheduling and progress.

VALUATION OF THE TARGET COMPANY

The Company has engaged Valtech Valuation Advisory Limited to carry out valuation of the entire equity interest of the Target Company, which was appraised to be at approximately HK$35,355,000 on the Valuation Date in accordance with the Guideline Publicly-traded Comparable method under the market approach as set out in the Valuation Report.

Key Assumptions of the Valuation

Details of the principal assumptions, including commercial assumptions, upon which the Valuation Report was based are as follows:

General assumptions

The Independent Valuer has made certain key assumptions in the Valuation, which, to the Directors' best information and knowledge, are consistent with market practice and information available to the Company, including but not limited to:

1. the current political, legal, commercial and banking regulations, fiscal policies, foreign trade and economic conditions which prevail in the regions in which the Target Company are being operated will have no material adverse change;

2. competent management, key personnel and technical staff will be available to support the ongoing operation of the Target Company;

3. all relevant legal approvals, business certificates, trade permits have been procured, in place and in good standing prior to commencement of operations by the Target Company under the ordinary and normal course of business; and

4. the information regarding the Target Company provided is true and accurate.

Assessment of Key Specific Assumptions

Valuation methodology

In the Valuation, after comparing the common valuation methods including cost approach, income approach and market approach, the Independent Valuer adopted the Guideline Publicly-traded Comparable method of the market approach for the following reasons:

1. the cost approach was considered unsuitable as the Target Company has commenced its operation since 2009 with track record of solid recent revenue growth from 2023 to 2025 (up to the Valuation Date). Its profiting nature and unique background make it not easily be replaced or reproduced by other market participants;

2. the income approach was considered unsuitable as income projection would generally take into account various management assumptions (e.g. synergy with existing and/or prospective management, capital expenditure, financing and operating assumptions etc);

3. the market approach was adopted as it reflects the market participants' current assessment without material management assumptions on projections. It is particularly useful to apply to project-based company with high uncertainty on financial projection; and

4. the Independent Valuer, having identified a sufficient pool of 18 relevant and sufficient Guideline Publicly-traded Comparable with sufficient and reliable financial information disclosed, is satisfied that the Guideline Publicly-traded Comparable Method of the market approach could be used to determine the value of the Target Company.

Having considered (i) the rationale of the Independent Valuer in selecting market approach instead of cost approach and income approach as the appropriate valuation approach; and (ii) the Valuation was prepared by the Independent Valuer in accordance with the applicable requirements and standards, the Board is of the view that the adoption of market approach for the Valuation is fair and reasonable.

The Directors also agree with the Independent Valuer that the market approach has the benefits of simplicity, clarity, speed and the need for fewer assumptions, and introduces objectivity in application as publicly available inputs are used.

Market Comparables

In the course of valuing the Target Company pursuant to the Guideline Publicly-traded Comparable Method, the Independent Valuer has taken into account the Price-to-Earnings ("**P/E**") ratio multiple, which is appropriate for evaluating business with track record of profits. The Independent Valuer has further taken into account the valuation adjustments for control premium and discount for lack of marketability.

The Independent Valuer has selected 18 comparable listed companies ("**Comparables**"), which recognised more than 50% of their respective revenue from provision of repair, maintenance, alteration and addition works and related services, and such revenue was generated from Hong Kong market.

Key inputs of the Valuation

The summary statistics of the P/E multiple from the Comparables identified by the Independent Valuer as of as at 31 March 2025 is listed as follows:

No. of valid Comparables 6
Upper quartile (P/E Times) 12.07x
Average (P/E Times) 7.77x *Note*
Median (before outlier) (P/E Times) 9.29x
Lower quartile (P/E Times) 5.08x

Note: With existence of outlier peer multiple 18.18x, being over double of average multiple of 7.77x (if such outlier is excluded), it is considered an outlier multiple and excluded. The median of full set of market multiples and the average of market multiples (excluding outlier) are calculated, the lower of both is adopted in valuation for prudence.

The Independent Valuer, in arriving at the estimated unadjusted valuation, selected a P/E multiple of 7.77 times, being the average of the P/E multiples (excluding outlier) of the Comparables.

The Board considers that both the selection of the Comparables and the use of the P/E multiple as the primary valuation methodology are fair, reasonable and appropriate.

In selecting the Comparables, the Independent Valuer applied strict quantitative and qualitative criteria, including (i) principal engagement in repair, maintenance, alteration and addition ("**RMAA**") works and related services, and (ii) revenue primarily generated from projects in Hong Kong. These criteria similar to the Target Company's business model and operating environment, and therefore ensure that the selected peer group shares similar industry drivers, competitive dynamics and regulatory conditions. The Board is of the view that such selection provides a reliable benchmark for assessing the value of the Target Company.

The Board further considers that the use of the P/E multiple is consistent with common market practice and professional standards when valuing profitable service-based businesses. The P/E multiple is a widely recognised and transparent valuation metric that directly relates equity value to net earnings, which shareholders and investors often regard as the most relevant measure of equity valuation in the context of corporate transactions. The Board believes that the application of the P/E multiple, supported by appropriate market comparables, enables a fair and transparent assessment of the Target Company's equity value and provides a clear and meaningful basis for the Shareholders to evaluate the transaction.

Control Premium and Discount for Lack of Marketability

The Independent Valuer imposed a control premium ("**Control Premium**") on the valuation of the Target Company, since there is a difference between a controlling business interest and those of the minority interests. The Independent Valuer has made reference to the 2024 Factset Review to arrive at a 15.6% Control Premium in the Valuation.

The Independent Valuer imposed a discount for lack of marketability ("**DLOM**") on the valuation of the Target Company, since there is a difference between a privately-owned asset and those of its comparable public companies which is its lack of marketability. The Independent Valuer has made reference to 2024 Edition Stout Restricted Stock Study to arrive at a 15.6% DLOM in the Valuation.

Basis of Valuation and Consideration

The Directors considered the Valuation to be fair and reasonable, having taken into account (i) the use of the average of the P/E multiple (which is lower compared to median of full set of peer market multiple), 7.77x, of the Comparables to value the Target Company; (ii) the consideration of 15.6% Control Premium and 15.6% DLOM which reflect the necessary business consideration, and have an minimal net effect on valuation after offsetting.

EFFECT OF THE ACQUISITION ON THE EARNINGS, ASSETS AND LIABILITIES OF THE COMPANY

Upon Completion, the Target Company will become an indirect subsidiary of the Company and the financial results, assets and liabilities of the Target Company will be consolidated in the books and accounts of the Group. The unaudited pro forma financial information of the Enlarged Group as set out in Appendix III to this circular has been prepared to illustrate the financial effect of the Acquisition.

Effect on assets and liabilities

Based on the unaudited pro forma consolidated statement of financial position of the Enlarged Group as set out in Appendix III to this circular, which is prepared as if the Acquisition had completed on 31 December 2024 to illustrate the effect of the Acquisition, it is expected that the total assets of the Group would increase from approximately HK$216.8 million to approximately HK$265.1 million and the total liabilities of the Group would increase from approximately HK$95.9 million to approximately HK$134.0 million. As the expected increase in total assets is higher than the expected increase in total liabilities, the net assets of the Group would increase from approximately HK$120.9 million to approximately HK$131.1 million.

Effect on earnings

Based on the pro forma consolidated statement of cash flow of the Enlarged Group as set out in Appendix III to this circular, which is prepared as if the Acquisition had completed on 30 June 2025 and 1 January 2024, it is expected that the Acquisition will enable the Group to generate (i) more net cash from operating activities from approximately HK$0.6 million to approximately HK$0.8 million; (ii) more net cash from investing activities from approximately HK$0.3 million to approximately HK$3.2 million; and (iii) more net cash from financing activities from net cash outflow of approximately HK$1.3 million to net cash inflow of approximately HK$24.7 million due to the issuance of Promissory Note.

The above analyses are for illustrative purpose only and do not purport to represent how the financial performance and position of the Group would actually be after Completion.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the existing shareholding structure of the Company and the effect of allotment and issue of the Consideration Shares on the shareholding structure of the Company upon Completion is set out as below:

Name of Shareholder	As at the Latest Practicable Date		Immediately after the Completion, the allotment and issue of all Consideration Shares[1]	
	No. of shares	*Approximate % of number of Shares in issue*	*No. of shares*	*Approximate % of number of Shares in issue*
Harvest Land Company Limited[2]	519,720,000	36.87%	519,720,000	30.73%
Yu Kei Ki	197,620,635	14.02%	197,620,635	11.68%
Yui Cheung Yung	100,960,000	7.16%	100,960,000	5.97%
Vendor	—	—	281,904,762	16.67%
Public Shareholders	591,223,175	41.95%	591,223,175	34.95%
Total	1,409,523,810	100.00%	1,691,428,572	100.00%

Notes

(1) Assuming no change in total issued share capital of the Company other than allotment and issue of all Consideration Shares.

(2) Harvest Land Company Limited is beneficially owned as to 100% by Mr. Yeung Wing Sun ("**Mr. Yeung**"). Mr. Yeung and Harvest Land Company Limited are regarded as a group of controlling shareholders of Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 36.87% of the issued share capital of the Company. Mr. Yeung is deemed to be interested in the Shares held by Harvest Land Company Limited pursuant to the SFO.

Upon the Completion, taking into account the Consideration Shares allotted and issued, there will not be change of control of the Company.

INFORMATION OF THE PARTIES

The Group and the Purchaser

The Group is a contractor specialising in repair, maintenance, alteration and addition ("**RMAA**") works in Hong Kong.

The Purchaser is a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

The Vendor

The Vendor is an individual who is principally engaged in the construction business. As at the Latest Practicable Date, the Target Company is wholly-owned by the Vendor.

INFORMATION RELATING TO THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong, principally engaged in providing contracting services for building construction, repair, and maintenance works. Its services include, but are not limited to, building repair and renovation, structural works, drainage, plumbing, alteration and addition works, and demolition works for both industrial and residential properties.

The Target Company is registered with the Building Authority as both a General Building Contractor and a Registered Minor Works Contractor (Company), and is also registered as an Electrical Contractor with the Electrical and Mechanical Services Department (EMSD). Since 2023, the company has held several management system certifications, including ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018.

As at the Latest Practicable Date, the Company does not intend to introduce any major changes to the existing operations or business of the Target Company. It is also the intention of Company that there will not be significant changes in the management and employees of the Target Company after the Completion.

Set out below is the unaudited financial information of the Target Company for the each of two years ended 31 March 2024 and 2025 prepared in accordance with the generally accepted accounting principles in Hong Kong:

	For the year ended 31 March 2024 (unaudited) *HK$'000*	**For the year ended 31 March 2025** (unaudited) *HK$'000*
Revenue	19,661	50,121
Net (loss) profit (before taxation and extraordinary items)	(118)	5,259
Net (loss) profit (after taxation and extraordinary items)	(118)	4,662

As at 31 March 2025, the unaudited net assets of the Target Company were approximately HK$7.1 million.

REASONS FOR AND BENEFITS OF ENTERING INTO THE SALE AND PURCHASE AGREEMENT

The Group is a contractor specialising in RMAA works in Hong Kong and is actively pursuing opportunities to expand its core business operations. The acquisition of the Target Company aligns with the Group's strategy to achieve growth through the integration of complementary businesses with smaller-scale operations. By leveraging the Target Company's established track record and reputation in the construction engineering industry, the Group expects to achieve greater operational synergy, broaden its service offering, and enhance its overall competitiveness in the market.

The integration of the Target Company will enable the Group to strengthen its project delivery capacity and position itself to tender for a wider range of projects, including those of larger scale. This expansion is expected to create additional value for Shareholders by optimizing business resources and facilitating sustainable growth.

In addition to the above, the Directors believe that the acquisition will bring about the following further benefits and strategic advantages:

Expansion of Customer Base and Market Reach: The Target Company's existing customer relationships and business network will immediately broaden the Group's client base. This will not only provide access to new projects, but also create opportunities for cross-selling services across both companies' customer portfolios.

Achieving Cost Synergies and Operational Efficiencies: Through the integration of administrative, procurement, and project management functions, the Enlarged Group expects to achieve economies of scale, reduce duplicated costs, and improve overall operational efficiency.

Potential for Future Business Development: The combined resources, expertise, and client networks of the Group and the Target Company are expected to create a solid platform for pursuing new business opportunities.

Based on the above, the Directors considered that the terms and conditions of the Sales and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and are entered into on normal commercial terms and in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Acquisition to be contemplated under the Sale and Purchase Agreement exceeds 25% but is less than 100%, the Acquisition constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to, amongst others, the announcement and shareholders' approval requirements under the Listing Rules.

PROPOSED SHARE CONSOLIDATION

The Board proposes implementing the Share Consolidation on the basis that every ten (10) issued Existing Shares be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the Latest Practicable Date, 1,409,523,810 Existing Shares have been allotted and issued and the Company has no treasury shares. Upon the Share Consolidation becoming effective and assuming that no further Existing Shares are issued or bought back and cancelled from the Latest Practicable Date until the effective date of the Share Consolidation, not more than 140,952,381 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares which will not be allocated to the Shareholders who may otherwise be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

(i) the passing of an ordinary resolution by the Shareholders at the EGM to approve the Share Consolidation;

(ii) the Listing Committee granting the listing of, and permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective; and

(iii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Listing Rules to effect the Share Consolidation.

As at the Latest Practicable Date, none of the conditions above were fulfilled. Subject to the fulfilment of the conditions of the Share Consolidation, the effective date of the Share Consolidation is currently expected to be on Tuesday, 28 October 2025, being the second Business Day immediately after the date of the EGM.

Listing application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of HKSCC, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS.

None of the Existing Shares or any other equity or debt securities in issue of the Company are listed or dealt in on any other stock exchange other than the Stock Exchange. Upon the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is currently proposed to be sought.

Other securities of the Company

As at the Latest Practicable Date, the Company has no outstanding options, warrants or other securities in issue which are convertible into or giving rights to subscribe for, convert or exchange into, any Existing Shares or Consolidated Shares, as the case may be.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in board lot size of 5,000 Existing Shares. It is proposed that, subject to and conditional upon the Share Consolidation becoming effective, the board lot size for trading on the Stock Exchange be changed from 5,000 Existing Shares to 10,000 Consolidated Shares. Based on the closing price of HK$0.053 per Existing Share as quoted on the Stock Exchange as at the Latest Practicable Date, the theoretical value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK$5,300 based on the theoretical closing price per Consolidated Share of HK$0.53.

The Change in Board Lot Size will not result in change of the relative rights of the Shareholders.

The Change in Board Lot Size will be effective on Wednesday, 12 November 2025.

REASONS FOR THE SHARE CONSOLIDATION AND CHANGE IN BOARD LOT SIZE

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK$0.01 or HK$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. Further, the "Guide on Trading Arrangements for Selected Types of Corporate Actions" issued by the Hong Kong Exchanges and Clearing Limited on 28 November 2008 (and last updated in September 2024) has further stated that (i) market price of the share at a level less than HK$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK$2,000.

The recent trading price of the Existing Shares is at a level below HK$0.10 and the existing board lot value of the Company has been constantly less than HK$2,000. Based on the closing price of HK$0.053 per Existing Share as quoted on the Stock Exchange as at the Latest Practicable Date, with a board lot size of 5,000 Existing Shares, the Company is trading at HK$265 per board lot, which is substantially less than HK$2,000 per board lot. In view of this, the Board proposes to effect the Share Consolidation and the Change in Board Lot Size in order to comply with the trading requirements of the Listing Rules such that upon the Share Consolidation and Change in Board Lot Size becoming effective, the expected board lot value will be HK$5,300, which will be greater than HK$2,000.

In view of the above, it is considered that the Share Consolidation and the Change in Board Lot Size will enable the Company to comply with the trading requirements under the Listing Rules and reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot, since most of the banks or securities houses will charge minimum transaction costs for each securities trade. With a corresponding upward adjustment in the trading price of the Consolidated Shares, it is believed that the Share Consolidation and the Change in Board Lot Size will maintain the trading amount for each board lot at a reasonable level and make investing in the Shares more attractive to a broader range of investors, and thus further broadening the shareholder base of the Company.

Although the Share Consolidation and the Change in Board Lot Size may lead to the creation of odd lots of Shares owned by the Shareholders, the Company will designate an agent to stand in the market to provide matching services for odd lots of Shares for a period of not less than three weeks, which is expected to effectively alleviate the difficulties caused by the creation of odd lots of Shares.

The Board believes that the Share Consolidation and the Change in Board Lot Size will not have any material adverse effect on the financial position of the Group nor result in change in the relative rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may otherwise be entitled.

In view of the above reasons, the Company considers the Share Consolidation and the Change in Board Lot Size are justifiable to achieve the above-mentioned purposes and are beneficial to and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the Company has no intention of carrying out other corporate actions in the next 12 months which may have an effect of undermining or negating the intended purpose of the Share Consolidation and the Change in Board Lot Size. As at the Latest Practicable Date, the Company has no present intention of conducting any equity fundraising activities. However, the Board cannot rule out the possibility that the Company will conduct debt and/or equity fund raising exercises when suitable fund raising and/or investment opportunities arise in order to meet its operational needs or support future development of the Group. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

OTHER ARRANGEMENTS

Fractional entitlement to Consolidated Shares

The Consolidated Shares will be rounded down to a whole number and fractional Consolidated Shares arising from the Share Consolidation, if any, will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lots trading and matching services

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has appointed Cheong Lee Securities Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares, during the period from 9:00 a.m. on Wednesday, 12 November 2025 to 4:00 p.m. on Tuesday, 2 December 2025 (both days inclusive). Shareholders who wish to take advantage of this facility should contact Ms. Linda Yu (余蓮達女仕) at Cheong Lee Securities Limited, Room 16B, 16/F., Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong or at telephone number: +852 3426 6338 during office hour (i.e. 9:00 a.m. to 5:00 p.m.) of such period. Shareholders who would like to match odd lots are recommended to make an appointment by dialing the telephone number of +852 3426 6338 set out above.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots trading arrangement are recommended to consult their own professional advisers.

Free exchange of share certificates for the Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 28 October 2025, being the second Business Day immediately after the date of the EGM, the Shareholders may, during the specified period from Tuesday, 28 October 2025 to Thursday, 4 December 2025 (both dates inclusive), submit existing share certificates in blue colour for the Existing Shares to the Company's Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716 17th Floor Hopewell Centre 183 Queen's Road East Wan Chai Hong Kong, in exchange for new share certificates in beige colour for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever the number of share certificates cancelled/issued is higher.

Subject to the Share Consolidation becoming effective, after 4:10 p.m. on Tuesday, 2 December 2025, trading will only be in Consolidated Shares and existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Adjustment to the Consideration Shares upon the Share Consolidation becomes effective

In the event that the Share Consolidation becomes effective, the number of Consideration Shares to be allotted and issued will be adjusted from 281,904,762 Consideration Shares to 28,190,476 Consolidated Shares, and the issue price will be adjusted from HK$0.0385 per Share to HK$0.385 per Consolidated Share (equivalent to HK$0.0385 per Existing Share). Based on the adjusted issue price, the aggregate value of the Consideration Shares will be approximately HK$10,853,333.26 and the principal amount of the Promissory Note will be approximately HK$24,146,666.74. Save for the above mechanical adjustments, all other terms of the Acquisition, including the aggregate consideration amount of HK$35,000,000, shall remain unchanged.

EXTRAORDINARY GENERAL MEETING

The EGM will be convened and held by the Company at Unit 1002, 10/F, Billion Trade Centre, 31 Hung To Road, Kwun Tong, Kowloon on Friday, 24 October 2025 at 11:00 a.m. for the purpose of considering and if thought fit, approving (i) the Sale and Purchase Agreement and the transactions contemplated thereunder, and (ii) the Share Consolidation and the matters contemplated thereunder. A form of proxy for use at the EGM is enclosed with this circular.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under the Sale and Purchase Agreement. As such, no Shareholder will be required to abstain from voting on the resolutions to approve (i) the Sale and Purchase Agreement and the transactions contemplated thereunder, (ii) and the Share Consolidation and the matters contemplated thereunder. Any vote exercised by the Shareholders at the EGM shall be taken by way of poll.

The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular.

For those who intend to direct a proxy to attend the EGM, please complete the form of proxy and return the same in accordance with the instructions printed thereon. In order to be valid, the above documents must be delivered to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong by 11:00 a.m. on Wednesday, 22 October 2025 or not less than 48 hours before the time appointed for the EGM or any adjournment thereof. The register of members of the Company will be closed from Monday, 20 October 2025 to Friday, 24 October 2025 (both days inclusive), during which time no share transfers will be effected. In order to qualify for attending the EGM or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Company's branch share registrar in Hong Kong at the above address by no later than 4:00 p.m. on Friday, 17 October 2025.

You are urged to complete and return the form of proxy whether or not you will attend the EGM. Completion and return of the form of proxy will not preclude you from attending and voting at the EGM (or any adjournments thereof) should you wish to do so.

VOTE BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the resolutions to be proposed at the EGM shall be voted by poll.

RECOMMENDATION

Having considered the aforesaid circumstance and benefits of the Acquisition and the Share Consolidation, the Directors are of the view that (i) the Sale and Purchase Agreement and the Acquisition contemplated thereunder are fair and reasonable and are in the interests of the Company and the Shareholders as a whole, and (ii) the Share Consolidation is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the EGM to approve the Sale and Purchase Agreement and the transactions contemplated thereunder, and the Share Consolidation and the matters contemplated thereunder.

WARNING

Shareholders should take note that the Acquisition and the Share Consolidation are conditional upon the fulfilment of certain conditions set out above. Therefore, the Acquisition and Share Consolidation may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

FURTHER INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

By Order of the Board
Unity Enterprise Holdings Limited
Chan Leung
Chairman and Executive Director

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group for (i) each of the three years ended 31 December 2022, 2023 and 2024, and (ii) the interim results (unaudited) for the six months ended 30 June 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hongdau.com.hk), respectively:

(i) the annual report of the Company for the year ended 31 December 2024 published on 23 April 2025 (pages 56 to 103):

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0423/2025042301484.pdf

(ii) the annual report of the Company for the year ended 31 December 2023 published on 25 April 2024 (pages 60 to 109):

https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0425/2024042501184.pdf

(iii) the annual report of the Company for the year ended 31 December 2022 published on 25 April 2023 (pages 64 to 115):

https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0425/2023042501157.pdf

(iv) the interim results (unaudited) for the six months ended 30 June 2025 published on 27 August 2025 (pages 2 to 17):

https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0827/2025082700479.pdf

The following disclosure is extracted from the annual report of the Company for the year ended 31 December 2024:

(a) Treasury Policies

The Group has adopted a prudent financial management approach towards its treasury policy with an aim of preserving the assets of the Group. No investment assets were held by the Group other than cash and bank deposits as at 31 December 2024. The Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities, and other commitments can meet its funding requirements all the time.

(b) Employees and Remuneration Policies

As at 31 December 2024, the Group had 17 employees (31 December 2023: 25 employees) who were directly employed by the Group and based in Hong Kong. The Group offers remuneration package to the employees which includes salary, bonuses and options which may be granted under the share option scheme adopted by the Company. Generally, the Group considers employees' salaries based on each of their performance, qualifications, position and seniority. The Company has an annual review system to appraise the performance of the employees, which constitutes the grounds of its decision as to the salary raises, bonuses and promotions. The Group also arranges induction training for newly joined employees and continuous trainings to existing employees regularly. The remuneration of the Directors and members of the senior management is decided by the Board upon the recommendation from the remuneration committee of the Company having regard to the Group's operating results, individual performance and comparable market statistics.

(c) Foreign Exchange Exposure

The Group has a minimal exposure to foreign currency risk as most of the business transactions and assets and liabilities of the Group are principally denominated in Hong Kong dollars. As such, the Directors consider the Group's risk in foreign exchange is insignificant and no foreign exchange hedging was conducted by the Group or no hedging instrument transaction was entered into during the year ended 31 December 2024.

2. INDEBTEDNESS STATEMENT

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of this indebtedness statement, the Enlarged Group had the following indebtedness:

Bank borrowings

As at the close of business on 31 August 2025, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Enlarged Group had aggregate outstanding bank borrowings of approximately HK$4,442,000.

These bank borrowings consist of term loans, details of which are as follows:

	As at 31 August 2025 *HK$'000*
The Enlarged Group	
Bank borrowings — secured and guaranteed *(Note)*	4,442

Notes:

The balance consists of three bank loans which are supported by the SME Financing Guarantee Scheme executed by the Government of Hong Kong Special Administrative Region.

(1) As at 31 August 2025, a loan with HK$935,000 carries interest rate of 3.625% and is also secured by personal guarantees provided by one of the Directors of the subsidiary of the Company.

(2) As at 31 August 2025, a loan with HK$1,477,000 carries interest rate of 3.625% and is also secured by personal guarantees provided by one of the Directors of the subsidiary of the Company.

(3) As at 31 August 2025, a loan with HK$2,030,000 carries interest rate of 3.96% and is also secured by personal guarantees provided by one of the Directors of the Target Company.

As at the latest practicable date, our Group had unutilised banking facilities of approximately HK$2,958,000.

Our Directors confirmed that the agreements under our bank borrowings do not contain any covenant that will have a material adverse effect on our ability to make additional borrowings or issue debt or equity securities in the future. Our Directors further confirmed that we had no material defaults in payment of trade and non-trade payables and bank borrowings, nor did we breach any financial covenants up to the latest practicable date. Our Directors further confirmed that up to the latest practicable date, we did not experience any difficulty in obtaining credit facilities, or withdrawal of facilities, request for early repayment, default in payments or breach of financial covenants of bank borrowings.

Contingent liabilities

As at latest practicable date, the Enlarged Group had outstanding performance bonds amounted to HK$6,613,000. Our Directors confirmed that there was no material adverse change in our Enlarged Group's indebtedness and contingent liabilities as at 31 August 2025, being the latest practicable date for the purpose of this statement of indebtedness.

Lease liabilities

As at 31 August 2025, being the latest practicable date for the purpose of this statement of indebtedness, the Enlarged Group had current lease liabilities of approximately HK$28,000. The leases represent offices and warehouse of the Enlarged Group. The weighted average incremental borrowing rate was 3.40% per annum. The Enlarged Group does not face a significant liquidity risk with regard to these liabilities. Lease liabilities are monitored within the Enlarged Group's management.

Save as disclosed above, and apart from intra-group liabilities and normal accounts payables in the ordinary course of business of the Enlarged Group, as at 31 August 2025, being the latest practicable date for the purpose of preparing this statement of indebtedness, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, any other term loans, any other borrowings or indebtedness in the nature of borrowing (including but not limited to bank overdrafts and liabilities under acceptance (other than normal trade bills)), acceptance credits, finance lease or hire purchase commitments, which are either guaranteed, unguaranteed, secured or unsecured, any other mortgages and charges or any other material contingent liabilities or guarantees.

3. WORKING CAPITAL SUFFICIENCY

The Directors are of the opinion that, after taking into account the Group's internal resources, cash flow from operations, external borrowings, currently available banking and other facilities, and the effects of the Completion, the Enlarged Group will have sufficient working capital to meet its present requirements and for the period up to twelve (12) months from the date of this circular in the absence of unforeseeable circumstances.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Company since 31 December 2024, being the date to which the latest published audited consolidated financial statements of the Company were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE ENLARGED GROUP

The Board is optimistic about the financial and trading prospects of the Enlarged Group following the completion of the acquisition of Newco Construction Engineering Limited (the "**Target Company**"). The Group, as a listed company with a solid track record in the provision of RMAA works and building materials distribution in Hong Kong, has demonstrated resilience amid market fluctuations and economic uncertainties. The Group's ability to secure 9 projects as at 31 December 2024 (2023: 7 projects) underscores its stable business foundation and market recognition.

In recent years, the Group has actively pursued an acquisition-led growth strategy to strengthen its core competencies, diversify revenue streams, and expand its project delivery capabilities. In April 2024, the Group acquired 100% equity interest in Wonder Group, which specialises in RMAA contracting and building materials distribution. In January 2025, the Group further acquired Suntec Construction & Engineering Limited, thereby extending its reach into civil engineering, building construction, and consulting services for electronic vehicle charging systems.

The acquisition of the Target Company is another important step in advancing the Group's strategic objectives. The Target Company's established reputation, comprehensive service scope, and robust management systems, including ISO 9001:2015, ISO 14001:2015, and ISO 45001:2018 certifications, will substantially enhance the Group's technical capabilities and quality assurance standards. The Target Company's registration as both a General Building Contractor and Registered Minor Works Contractor, as well as an Electrical Contractor with the EMSD, will enable the Enlarged Group to undertake a broader range of projects, including more complex and higher-value assignments across both industrial and residential sectors.

Through the integration of the Target Company and the Group's recent acquisitions, the Enlarged Group expects to benefit from:

- **Enhanced Project Capacity and Service Diversification:** The Enlarged Group will be able to deliver a wider array of construction, repair, and maintenance services, attracting a broader client base and enabling cross-selling opportunities.

- **Operational Synergies and Cost Efficiency:** The consolidation of management expertise, technical know-how, and business resources is expected to drive operational efficiency, reduce costs, and optimise project delivery.

- **Strengthened Market Position:** The combined strengths and expanded qualifications of the Enlarged Group will reinforce its reputation and competitiveness in the construction and engineering industry.

- **Revenue Growth and Risk Diversification:** With a more diversified project portfolio and customer base, the Enlarged Group will be better positioned to capture new market opportunities and mitigate the impact of market volatility.

- **Sustainable Financial Performance:** The Board anticipates that these strategic initiatives will support steady financial growth and long-term value creation for Shareholders.

In summary, the Board believes that the Enlarged Group, leveraging its established business platform, recent strategic acquisitions, and the integration of the Target Company's capabilities, is well-placed to achieve sustainable growth, improved profitability, and enhanced returns for Shareholders in the years ahead.

The following is the text of the independent reporting accountants' assurance report received from OOP CPA & Co, Certified Public Accountants, Hong Kong, the reporting accountants of Company, in respect of the historical financial information prepared for the purpose of incorporation in this Circular.

奧柏國際

30 September 2025

ACCOUNTANTS' REPORT ON HISTORICAL FINANCIAL INFORMATION TO THE DIRECTORS OF UNITY ENTERPRISE HOLDINGS LIMITED

Introduction

We report on the historical financial information of Newco Construction Engineering Limited (the "**Target Company**") set out on pages II-4 to II-33, which comprises the statements of financial position of the Target Company as at 31 March 2023, 2024 and 2025, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for each of the three years ended 31 March 2023, 2024 and 2025 (the "**Relevant Periods**") and material accounting policy information and other explanatory information (together, the "**Historical Financial Information**"). The Historical Financial Information forms an integral part of this report, which has been prepared for inclusion in the circular of the Company dated 30 September 2025 in connection with the proposed acquisition of the entire equity interest in the Target Company.

Directors' responsibility for the Historical Financial Information

The directors of the Target Company are responsible for the preparation of Historical Financial Information that gives a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information, and for such internal control as the directors determine is necessary to enable the preparation of Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Reporting accountants' responsibility

Our responsibility is to express an opinion on the Historical Financial Information and to report our opinion to you. We conducted our work in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 200 "Accountants' Reports on Historical Financial Information in Investment Circulars" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**"). This standard requires that we comply with ethical standards and plan and perform our work to obtain reasonable assurance about whether the Historical Financial Information is free from material misstatement.

Our work involved performing procedures to obtain evidence about the amounts and disclosures in the Historical Financial Information. The procedures selected depend on the reporting accountants’ judgement, including the assessment of risks of material misstatement of the Historical Financial Information, whether due to fraud or error. In making those risk assessments, the reporting accountants consider internal control relevant to the entity’s preparation of Historical Financial Information that give a true and fair view in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information in order to design procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Our work also included evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the Historical Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the Historical Financial Information gives, for the purposes of the accountants’ report, a true and fair view of the Target Company’s financial position as at 31 March 2023, 2024 and 2025 and of the Target Company’s financial performance and cash flows for the Relevant Periods in accordance with the basis of preparation and presentation set out in Note 2 to the Historical Financial Information.

Report on matters under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

Adjustments

In preparing the Historical Financial Information, no adjustments to the Underlying Financial Statements as defined on page II-11 have been made.

OOP CPA & Co.
Certified Public Accountants
Hong Kong
30 September 2025

PREPARATION OF HISTORICAL FINANCIAL INFORMATION

Set out below is the Historical Financial Information which forms an integral part of this accountants' report.

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		Year ended 31 March		
		2023	**2024**	**2025**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Revenue	*6*	21,228	19,661	50,121
Cost of services		(19,321)	(17,247)	(42,096)
Gross profit		1,907	2,414	8,025
Other income	*7*	82	53	125
Administrative expenses		(2,409)	(2,572)	(2,680)
Finance costs	*8*	(8)	(4)	(95)
Expected credit losses provided on trade receivables and contract assets, net	*22(b)*	(30)	(9)	(116)
(Loss) profit before income tax expense	*10*	(458)	(118)	5,259
Income tax expense	*9*	—	—	(597)
(Loss)/profit and total comprehensive (expenses)/income for the years		(458)	(118)	4,662

STATEMENTS OF FINANCIAL POSITION

		At 31 March		
		2023	2024	2025
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
ASSETS				
Non-current assets				
Property, plant and equipment	*11*	15	214	81
Current assets				
Trade receivables	*12*	522	879	11,373
Contract assets	*13*	4,076	5,049	4,428
Deposits and prepayments	*14*	1,462	1,227	1,162
Amount due from a director	*15*	417	412	476
Bank and cash balances		292	65	2,863
		6,769	7,632	20,302
Current liabilities				
Trade payables	*16*	2,040	2,992	7,021
Accrued liabilities and contract liabilities	*17*	2,017	2,186	3,365
Lease liabilities	*19*	—	121	72
Bank borrowings	*18*	134	—	2,202
Tax payable		—	—	586
		4,191	5,299	13,246
Net current assets		2,578	2,333	7,056
Total assets less current liabilities		2,593	2,547	7,137
Non-current liability				
Lease liabilities	*19*	—	72	—
		—	72	—
Net assets		2,593	2,475	7,137

STATEMENTS OF FINANCIAL POSITION

		At 31 March		
		2023	**2024**	**2025**
	Notes	*HK$'000*	*HK$'000*	*HK$'000*
Capital and reserves				
Share capital	*20*	10	10	10
Retained profits		3,041	2,583	2,465
(Loss)/profit for the years		(458)	(118)	4,662
		2,593	2,475	7,137

STATEMENTS OF CHANGES IN EQUITY

	Share capital	Retained Earnings	Total
	HK$'000	*HK$'000*	*HK$'000*
At 1 April 2022	10	3,041	3,051
Loss and total comprehensive expenses for the year	—	(458)	(458)
At 31 March 2023 and 1 April 2023	10	2,583	2,593
Loss and total comprehensive expenses for the year	—	(118)	(118)
At 31 March 2024 and 1 April 2024	10	2,465	2,475
Profit and total comprehensive income for the year	—	4,662	4,662
At 31 March 2025	10	7,127	7,137

STATEMENTS OF CASH FLOWS

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Cash flows from operating activities			
(Loss)/profit before income tax	(458)	(118)	5,259
Adjustments for:			
Finance costs	8	4	95
Depreciation of property, plant and equipment	19	63	133
Interest income	—	—	(17)
Expected credit losses provided for trade receivables and contract assets, net	30	9	116
Operating (loss) profit before working capital changes	(401)	(42)	5,586
(Increase) decrease in trade receivables	45	(365)	(10,610)
Decrease (increase) in contract assets	483	(974)	622
Decrease (increase) in prepayments, deposits and other receivables	(71)	235	65
Increase in trade payables	752	952	4,029
Increase (decrease) in accrued liabilities and contract liabilities	(506)	169	1,178
Cash generated from (used in) operations	302	(25)	870
Income taxes (paid)	—	—	(11)
NET CASH FROM (USED IN) OPERATING ACTIVITIES	302	(25)	859
Cash flows from investing activities			
Interest received	—	—	17
Purchases of property, plant and equipment	(14)	(18)	—
NET CASH (USED IN) FROM INVESTING ACTIVITIES	(14)	(18)	17

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Cash flows from financing activities			
Proceeds from bank borrowing	—	—	2,400
Repayment of bank borrowing	(264)	(134)	(198)
Repayment of interests from bank borrowing	(8)	(2)	(90)
Repayment of lease liabilities	—	(51)	(121)
Repayment of interests from lease liabilities	—	(2)	(5)
(Advanced to) repayment from a director	(100)	5	(64)
NET CASH (USED IN) FROM FINANCING ACTIVITIES	(372)	(184)	1,922
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(84)	(227)	2,798
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEARS	376	292	65
CASH AND CASH EQUIVALENTS AT END OF YEARS, represented by	292	65	2,863
Bank balance and cash	292	65	2,863

NOTES TO HISTORICAL FINANCIAL INFORMATION

1. GENERAL INFORMATION

The Target Company is a limited liability incorporated in Hong Kong. The address of its registered office and principal place of business is Flat C, 16/F, Century Industrial Centre, 33–35 Au Pui Wan Street, Fo Tan, New Territories, Hong Kong.

The principal activities of the Target Company are the provision of repair, maintenance, alteration and addition ("**RMAA**") works in Hong Kong during the Relevant Periods.

The Target Company has adopted 31 March as the financial year end date.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Historical Financial Information have been prepared in accordance with all applicable HKFRSs, which includes all applicable Hong Kong Financial Reporting Standards, HKAS, and Interpretations issued by the HKICPA and accounting principles generally accepted in Hong Kong. All HKFRSs effective for the accounting period commencing from 1 April 2024, together with the relevant transitional provision, have been early adopted by the Target Company in the preparation of the Historical Financial Information throughout the Relevant Periods.

The Target Company has not applied any new and revised HKFRSs that have been issued but are not yet effective for the Relevant Periods.

New and amendments to HKFRSs in issue but not yet effective

The Target Company has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[3]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards — Volume 11[3]
Amendments to HKAS 21	Lack of Exchangeability[2]
HKFRS 18	Presentation and Disclosure in Financial Statements[4]

1 Effective for annual periods beginning on or after a date to be determined.
2 Effective for annual periods beginning on or after 1 January 2025.
3 Effective for annual periods beginning on or after 1 January 2026.
4 Effective for annual periods beginning on or after 1 January 2027.

3. BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 BASIS OF PREPARATION OF HISTORICAL FINANCIAL INFORMATION

The Historical Financial Information has been prepared in accordance with the accounting policies set out in Note 3 below which conform with Hong Kong Financial Reporting Standards (the "**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") (the "**Underlying Financial Statements**"). In addition, the Historical Financial Information includes the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The Historical Financial Information have been prepared on the historical cost basis, except when otherwise indicated.

The Historical Financial Information are presented in Hong Kong dollars ("**HK$**"), which is the Target Company's functional currency.

3.2 MATERIAL ACCOUNTING POLICIES

(a) Financial instruments

Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Financial assets and financial liabilities are initially measured at fair value except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair values of the financial assets or financial liabilities, as appropriate, on initial recognition.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant periods. For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("**ECL**"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated cash flows, including ECL, to the amortised cost of the debt instrument on initial recognition.

(i) Financial assets

Classification and subsequent measurement of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value through profit or loss.

Financial assets at amortised cost and effective interest method

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

(ii) Impairment of financial assets

The Target Company recognises a loss allowance for ECL on financial assets which are subject to impairment under HKFRS 9 (including trade and other receivables and deposits, contract assets, amount due from a director and bank balances). The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("**12m ECL**") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date.

The Target Company always recognises lifetime ECL for trade receivables and contract assets without significant financing component. The ECL on these assets are assessed collectively using a provision matrix based on the Target Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast of future conditions at the reporting date, including time value of money where appropriate.

For all other instruments, the Target Company measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Target Company recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Target Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Target Company considers both quantitative and qualitative information that are reasonable and supportable, including historical experience and forward-looking information that are available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Target Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Target Company has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Target Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if (i) it has a low risk of default, (ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Target Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

For internal credit risk management, the Target Company considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Target Company, in full (without taking into account any collaterals held by the Target Company).

Irrespective of the above, the Target Company considers that default has occurred when a financial instrument is more than 90 days past due unless the Target Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation.

Write-off policy

The Target Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Target Company's recovery procedures, taking into account legal advice where appropriate. Any subsequent recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward- looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Target Company's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Target Company in accordance with the contract and all the cash flows that the Target Company expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are grouped on the following basis:

- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The grouping is regularly reviewed by management to ensure the constituents of each group continue to share similar credit risk characteristics.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on amortised cost of the financial asset.

The Target Company recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Derecognition of financial assets

The Target Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

(iii) Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instrument issued by a group entity are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instruments and a financial liability.

Financial liabilities

All financial liabilities of the Target Company are subsequently measured at amortised cost, using the effective interest method.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of and entity after deducting all of its liabilities. Equity instruments issued by a group entities are recorded at the proceeds received, net of direct issue costs.

Derecognition of financial liabilities

The Target Company derecognises financial liabilities when, and only when, the Target Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(b) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Target Company expects to be entitled in exchange for those goods or services, excluding those amounts collected on behalf of third parties.

Control of the goods or service is transferred over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Target Company's performance as the Target Company performs;
- the Target Company's performance creates or enhances an asset that the customer controls as the Target Company performs; or
- the Target Company's performance does not create an asset with an alternative use to the Target Company and the Target Company has an enforceable right to payment for performance completed to date.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the goods or service.

Over time revenue recognition: measurement of progress towards complete satisfaction of a performance obligation

Output method

The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, that best depict the Target Company's performance in transferring control of goods or services.

A contract asset represents the Target Company's right to consideration in exchange for services that the Target Company has transferred to a customer that is not unconditional. It is assessed for impairment in accordance with HKFRS 9. In contrast, a receivable represents the Target Company's unconditional right to consideration, i.e. only the passage of time is required before payment of that consideration is due.

A contract liability represents the Target Company's obligation to transfer services to a customer for which the Target Company has received consideration (or an amount of consideration is due) from the customer.

A contract asset and a contract liability relating to a contract are accounted and presented on a net basis.

Variable consideration

For contracts that contain variable consideration, the Target Company estimates the amount of consideration to which it will be entitled using either (a) the expected value method; or (b) the most likely amount, depending on which method better predicts the amount of consideration to which the Target Company will be entitled.

The estimated amount of variable consideration is included in the transaction price only to the extent that it is highly probable that such an inclusion will not result in a significant revenue reversal in the future when the uncertainty associated with the variable consideration is subsequently resolved.

At the end of each reporting period, the Target Company updates the estimated transaction price (including updating its assessment of whether an estimate of variable consideration is constrained) to represent faithfully the circumstances present at the end of each reporting period and the change in circumstances during the reporting period.

Contract costs

The Target Company recognises an asset from the costs incurred to fulfil a contract when those costs meet all of the following criteria:

- the costs relate directly to a contract or to an anticipated contract that the entity can specifically identify;
- the costs generate or enhance resources of the entity that will be used in satisfying (or in continuing to satisfy) performance obligations in the future; and
- the costs are expected to be recovered.

The asset recognised is subsequently amortised to profit or loss on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the costs relate. The asset is subject to impairment review.

(i) Provision of RMAA works

The Target Company provides RMAA works based on contracts entered with customers. Such contracts are entered into before the services begin. Under the terms of the contracts, the RMAA works performed by the Target Company create or enhance a property that the customer controls as the property is created or enhanced. Revenue from provision of RMAA works are therefore recognised over time using output method, i.e. based on surveys of works completed by the Target Company to date with reference to the payment certificates certified by authorised persons or external consultants appointed by the customers. The directors of the Target Company consider that the output method would faithfully depict the Target Company's performance towards complete satisfaction of these performance obligations under HKFRS 15.

For certain RMAA works under term contracts, revenue is recognised when the Target Company rendered the services and has right to payment and the collection of the consideration is probable.

Contract asset is recognised when (i) the Target Company completes the RMAA works under such service contracts but yet certified by authorised persons or external consultants appointed by customers, or (ii) the customers retain retention money to secure the due performance of the contracts. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the considerations received (including advances received from customers) exceed the revenue recognised to date under the output method then the Target Company recognises a contract liability for the difference.

For warranty embedded to the RMAA works contracts, the Target Company accounts for the warranty in accordance with HKAS 37 "Provisions, Contingent Liabilities and Contingent Assets" unless the warranty provides the customer with a service in addition to the assurance that the RMAA works comply with the agreed-upon specifications.

(c) Employee benefits

(i) Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

(ii) Defined contribution retirement plan

Contributions to defined contribution retirement plans are recognised as an expense in profit or loss when the services are rendered by the employees.

(iii) Termination benefits

Termination benefits are recognised on the earlier of when the Target Company can no longer withdraw the offer of those benefits and when the Target Company recognises restructuring costs involving the payment of termination benefits.

(d) Taxation

Income tax expense represents the sum of current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from (loss)/profit before income tax because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Target Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is calculated using the liability method on temporary differences at the end of reporting period between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary difference, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investment in a subsidiary, except where the Target Company is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the year the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of reporting period.

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Target Company has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Target Company presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

(i) the same taxable entity; or

(ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(e) Segment reporting

The Target Company identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Target Company's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined following the Target Company's major operations.

The measurement policies the Target Company uses for reporting segment results under HKFRS 8 "Operating Segments" are the same as those used in its financial statements prepared under HKFRSs.

(f) Cash and cash equivalents

For the purpose of the statements of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Target Company's cash management are also included as a component of cash and cash equivalents.

(g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred.

(h) Related parties

A party is considered to be related to the Target Company if:

(a) the party is a person or a close member of that person's family and that person

(i) has control or joint control over the Target Company;

(ii) has significant influence over the Target Company; or

(iii) is a member of the key management personnel of the Target Company or of a parent of the Target Company;

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

4. CRITICAL JUDGMENTS AND KEY ESTIMATES

In the adoption of the Target Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that period, or in the year of the revision and future periods if the revision affects both Relevant Periods and future periods.

Key sources of estimation uncertainty

In addition to information disclosed elsewhere in these consolidated financial statements, other key sources of estimation uncertainty that have a significant risk of resulting a material adjustment to the carrying amounts of assets and liabilities within next financial year are as follows:

(a) Provision of ECL for trade receivables and contract assets

Trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL. The Target Company uses provision matrix to calculate ECL for the trade receivables and contract assets. The provision rates are based on internal credit rating as groupings of various debtors that have similar loss patterns. The provision matrix is based on the Target Company's historical default rates taking into consideration forward-looking information that is reasonable and supportable available without undue costs or effort. At every reporting date, the historical observed default rates are reassessed and changes in the forward looking information are considered. In addition, trade receivables and contract assets with significant balances and credit-impaired are assessed for ECL individually.

The provision of ECL is sensitive to changes in estimates. The information about the ECL and the Target Company's trade receivables and contract assets are disclosed in note 22(b).

(b) Estimation of RMAA works

The Target Company reviews and revises the estimates of contract revenue, contract costs, variations in project work and claims prepared for each RMAA works services contract as the contract progresses. Budgeted contract costs are prepared by the management on the basis of quotations from time to time provided by the major subcontractors, suppliers or vendors involved and the experience of the management. In order to keep the budget accurate and up-to-date, management conducts periodic reviews of the budgets of contracts by comparing the budgeted amounts to the actual amounts incurred.

Recognised amounts of contract revenue and related contract assets and receivables reflect management's best estimate of each contract's outcome and value of works completed, which are determined on the basis of a number of estimates. The actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of each reporting period, which would affect the revenue and profit or loss recognised in future years as an adjustment to the amounts recorded to date.

5. OPERATING SEGMENT INFORMATION

The Target Company's operating segment is provision of RMAA works. Since this is the only one operating segment of the Target Company, no further analysis thereof is presented.

The Target Company's operation and operating assets are located in Hong Kong.

Accordingly, no geographical segment information is presented.

Geographical Information

The Target Company's revenue are all generated from, and non-current assets are located in, Hong Kong.

Information about major customers

During the years, revenue from major customers who contributed over 10% of the total revenue of the Target Company is as follows:

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Customer A	6,180	*	—
Customer B	3,381	*	—
Customer C	2,272	—	—
Customer D	—	2,537	*
Customer E	—	3,716	*
Customer F	—	4,765	*
Customer G	—	—	5,017
Customer H	—	—	30,363
	11,833	11,018	35,380

* The corresponding revenue did not contribute over 10% of total revenue of the Target Company.

6. REVENUE

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Project-based			
— Provision of RMAA	21,228	19,661	50,121

Revenue from contract with customers arose from provision of RMAA works rendered in Hong Kong under long-term contracts and was recognised over time during the Relevant Periods. All the Target Company's provision of RMAA are provided directly with the customers. Contracts with the Target Company's customers are mainly fixed-price contracts.

Transaction price allocated to the remaining performance obligations

The following tables show the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) as at the end of reporting year/period.

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Provision of RMAA works			
— Expected to be recognized within one year	19,287	37,903	3,553
— Expected to be recognized after one year	43,674	5,770	2,218
	62,961	43,673	5,771

7. OTHER INCOME

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Government subsidies *(Note)*	72	—	—
Interest income	—	—	17
Rental income	—	53	101
Others	10	—	7
	82	53	125

Note: The government subsidies are mainly related to wage subsidies amounted to HK$72,000 from the Government of Hong Kong Special Administrative Region under the Employment Support Scheme ("**ESS**") for the year ended 31 March 2023. Under the terms of the ESS, the Target Company is required to undertake and warrant that they will not implement redundancies during the subsidy period and spend all the wages subsidies on paying salaries to their employees.

8. FINANCE COSTS

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Interest on bank borrowings	8	2	90
Interest on lease liabilities	—	2	5
	8	4	95

9. INCOME TAX EXPENSE

	Year ended 31 March		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Current tax — Hong Kong Profit Tax			
— Charge for the year	—	—	597
	—	—	597

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%. Accordingly, the Hong Kong Profits Tax of the qualifying group entity is calculated at 8.25% on the first HK$2 million of the estimated assessable profits and at 16.5% on the estimated assessable profits above HK$2 million. During the year ended 31 March 2023 and 2024, no assessable profit was generated.

Reconciliation between income tax expense and accounting (loss) profit at applicable tax rates:

	Year ended 31 March		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
(Loss)/profit before income tax expense	(458)	(118)	5,259
Tax at Hong Kong Tax rate of 16.5%	(76)	(19)	868
Tax effect of non-taxable income	(16)	(3)	(4)
Tax effect of non-deductible expenses	9	5	21
Tax effect of tax losses not recognised	83	17	—
Utilisation of tax losses previously not recognised	—	—	(123)
Income tax at concessionary rate	—	—	(165)
Income tax expense	—	—	597

10. (LOSS)/PROFIT BEFORE INCOME TAX EXPENSE

The Target Company's (loss)/profit before income tax expense for the Relevant Periods is arrived at after charging:

	Year ended 31 March		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Employee benefit expenses (including director's remuneration)			
— Director's fee	—	—	—
— Salaries, allowances and other benefits	1,087	1,063	1,063
— Contributions to retirement benefits schemes	46	45	45
Total employee benefit expenses	1,133	1,108	1,108
Auditor's remuneration	14	10	20
Depreciation of property, plant and equipment (including right-of-use assets)	19	63	133

11. PROPERTY, PLANT AND EQUIPMENT

	Office equipment *HK$'000*	Motor vehicles *HK$'000*	Furniture and Fixtures *HK$'000*	Right-of-use assets *HK$'000*	Total *HK$'000*
Cost					
At 1 April 2022	—	208	78	—	286
Additions	14	—	—	—	14
At 31 March 2023 and 1 April 2023	14	208	78	—	300
Additions	—	—	18	244	262
At 31 March 2024 and 1 April 2024 and 31 March 2025	14	208	96	244	562
Accumulated depreciation					
At 1 April 2022	—	208	58	—	266
Provided for the year	3	—	16	—	19
At 31 March 2023 and 1 April 2023	3	208	74	—	285
Provided for the year	3	—	19	41	63
At 31 March 2024 and 1 April 2024	6	208	93	41	348
Provided for the year	8	—	3	122	133
At 31 March 2025	14	208	96	163	481
Net carrying amount					
At 31 March 2023	11	—	4	—	15
At 31 March 2024	8	—	3	203	214
At 31 March 2025	—	—	—	81	81

The right-of-use assets represent the leases on office premises in Hong Kong. Details of total cash flow for leases and maturity analysis of lease liabilities are disclosed in note 19.

The above items of property, plant and equipment, after taking into account the residual values, are depreciated on a straight-line basis at the following rates per annum:

Office equipment	5 years
Motor vehicles	3 $^{1}/_{3}$ years
Furniture and equipment	5 years

12. TRADE RECEIVABLES

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Trade receivables	560	925	11,535
Less: allowances for credit losses	(38)	(46)	(162)
	522	879	11,373

The credit terms to customers is 30 days from the invoice date for trade receivables.

The ageing analysis of trade receivables, net of allowance for credit losses, based on invoice date, is as follows:

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
0 to 30 days	105	3	10,423
31 to 60 days	—	—	—
61 to 90 days	270	675	274
91 to 365 days	—	—	—
1 to 2 years	147	56	489
2 to 3 years	—	145	52
Over 3 years	—	—	135
	522	879	11,373

Out of the past due balances as at 31 March 2023, 2024 and 2025, approximately HK$147,000, HK$201,000 and HK$676,000, respectively, have been past due 90 days or more and are not considered as in default by considering the background of the debtors, historical settlement pattern, historical payment arrangement and credit standing of these trade receivables. The Target Company does not hold any collateral over these balances.

13. CONTRACTS ASSETS

The following table provides information about contract assets from contracts with customers:

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Contracts assets	4,080	5,054	4,433
Less: allowances for credit losses	(4)	(5)	(5)
	4,076	5,049	4,428

The contract assets primarily relate to the Target Company's rights to consideration for work completed but not billed as at 31 March 2023, 2024 and 2025 on revenue related to the provision of RMAA works. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Target Company provides the invoice to the customers.

Retention receivables represent the money retained by the Target Company's customers to secure the due performance of the contracts. The customers normally withhold up to 5-10% of each interim payment and up to a maximum limit of 5% of the contract sum as retention money for the projects.

As at 31 March 2023, 2024 and 2025, the amounts of contract assets that are expected to be recovered after one year are approximately HK$1,742,000, HK$2,606,000 and HK$1,382,000, respectively.

14. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Deposits and other receivable	180	234	190
Prepayment to suppliers	1,282	993	972
	1,462	1,227	1,162

None of the above deposits and other receivable is either past due or impaired.

15. AMOUNT DUE FROM A DIRECTOR

The amount due from a director is unsecured, interest-free and repayable on demand.

16. TRADE PAYABLES

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Trade payables	2,040	2,992	7,021

The ageing analysis of trade payables, based on the invoice date, is as follows:

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
0 to 30 days	448	615	6,065
31 to 60 days	99	607	—
61 to 90 days	710	485	138
Over 90 days	783	1,285	818
	2,040	2,992	7,021

17. ACCRUED LIABILITIES AND CONTRACT LIABILITIES

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Retention payable *(Note)*	1,887	2,003	3,200
Accruals	130	183	165
	2,017	2,186	3,365

Note: As at 31 March 2023, 2024 and 2025, the retention payables that are expected to be settled after one year are approximately HK$1,031,000, HK$1,679,000 and HK$1,741,000, respectively.

18. BANK BORROWINGS

At 31 March 2023 and 2025, the secured bank borrowings with a demand clause, based on the scheduled repayment terms set out in the loan agreements without taking into account the effect of any demand clause, were repayable as follows:

	As 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	134	—	424
Over 1 year but within 2 years	—	—	461
2 to 5 years	—	—	1,317
	134	—	2,202

At 31 March 2023 and 2025, the bank borrowings of the Target Company are supported by the SME Financing Guarantee Scheme executed by the Government of Hong Kong Special Administrative Region, which HKMC Insurance Limited provided full guarantee. The bank loans are also secured by personal guarantees provided by the director of the Target Company. The personal guarantees will not be released upon the Acquisition.

19. LEASE LIABILITIES

	At 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Within one year	—	121	72
More than one year but less than two years	—	72	—
	—	193	72
Analysed as:			
Non-current	—	72	—
Current	—	121	72
	—	193	72
Expenses related to leases of short-term leases	157	—	—

The weighted average incremental borrowing rate applied to lease as at 31 March 2024 and 2025 are 3.36%.

The total cash outflows for leases including the payments of lease liabilities for the year ended 31 March 2024 and 2025 are HK$53,000 and HK$126,000, respectively.

20. SHARE CAPITAL

	Number of shares	Amount
	'000	*HK$'000*
Issued and fully paid ordinary shares:		
At 1 April 2022, 31 March 2023, 1 April 2023, 31 March 2024, 1 April 2024 and 31 March 2025	10	10

21. CAPITAL RISK MANAGEMENT

The Target Company manages its capital to ensure that the Target Company will be able to continue as a going while maximising the return to shareholders through the optimisation of the debt and equity balance. The Target Company's overall strategy remains unchanged throughout the Relevant Periods.

The capital structure of the Target Company consists of net debt, which includes bank borrowings and lease liabilities disclose in note 18 and 19, net of cash and bank balances and equity attributable to owners of the Target Company, comprising issued share capital and reserves.

The directors of the Target Company review the capital structure regularly. As part of this review, the directors consider the cost of capital and the risks associated with each class of capital. The Target Company will balance its overall capital structure through the payment of dividends or new share issues as well as redemption of existing debts.

22. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

The carrying amounts of each of the categories of financial instruments at the end of the Relevant Periods are as follows:

	At 31 March		
	2023	2024	2025
	HK$'000	*HK$'000*	*HK$'000*
Financial assets at amortised cost			
Trade receivables	522	879	11,373
Deposits and other receivables	180	234	190
Amount due from a director	417	412	476
Bank and cash balances	292	65	2,863
	1,411	1,590	14,902
Financial liabilities at amortised cost			
Bank borrowings	134	—	2,202
Trade payables	2,040	2,992	7,021
	2,174	2,992	9,223

(b) Financial risk management objectives and policies

The Target Company's major financial instruments include trade receivables, deposits and other receivables, amount due from a director, bank and cash balances, trade payables and bank borrowings. Details of these financial instruments are disclosed in the respective notes.

The risks associated with these financial instruments include market risk (interest rate risk), credit risk and liquidity risk. The policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

(i) Credit risk and impairment assessment

Credit risk refers to the risk that the Target Company's counterparties default on their contractual obligations resulting in financial losses to the Target Company. The Target Company's credit risk exposures are primarily attributable to trade receivables, contract assets, deposits and other receivables, amount due from a director and bank balances. The Target Company does not hold any collateral or other credit enhancements to cover its credit risks associated with its financial assets.

Amount due from a director and deposits and other receivables

The Target Company assessed the loss allowance for amount due from a director and deposits and other receivables on 12-month ECL basis. In determining the ECL, the Target Company has taken into account the historical default experience and forward-looking information as appropriate. There had been no significant increase in credit risk since initial recognition. The Target Company has considered the consistently low historical default rate in connection with payments and concluded that credit risk inherent in the Target Company's outstanding balances is insignificant.

Bank balances

The credit risks on bank balances are limited because the counterparties are banks with high credit ratings assigned by international credit-rating agencies.

Trade receivables and contract assets arising from contracts with customers

In order to minimise credit risk, the directors of the Target Company are responsible for determination of credit limits, credit approvals and other monitoring procedures over the customers to ensure that follow-up action is taken to recover the overdue debts. In addition, the Target Company reviews the recoverable amount of each individual debt at the end of each reporting period to ensure that adequate allowance are made for irrecoverable amounts. In addition, the Target Company performs impairment assessment under ECL model on trade balances individually or based on provision matrix. In this regard, the directors of the Target Company consider that the Target Company's credit risk is significantly reduced.

The Target Company is exposed to concentration of credit risk at 31 March 2023, 2024 and 2025 on trade receivables from the Target Company's top five customers accounted for 37%, nil% and 90% of the Target Company's total trade receivables, respectively.

For trade receivables and contract assets, the Target Company has applied the simplified approach under HKFRS 9 to measure the loss allowance at lifetime ECL. Except for debtors with significant balance and credit- impaired, the Target Company determined ECL on these items by using a provision matrix, grouped by internal credit rating, and the ratings are outlined as follows:

— Low risk	Customers with good credit standing
— Medium risk	Customers with normal credit standing
— High risk	Credit-impaired customers

The following table provides information about the exposure to credit risk and ECL for trade receivables and contract assets which are assessed based on provision matrix as at 31 March 2023, 2024 and 2025 within lifetime ECL (not credit-impaired).

		Gross carrying amount	
	Average expected loss rate	**Trade receivables** *HK$'000*	**Contract assets** *HK$'000*
As at 31 March 2023			
Low risk	0.1%	314	4,080
Medium risk	10.6%	246	—
		560	4,080
As at 31 March 2024			
Low risk	0.1%	679	5,054
Medium risk	8.5%	246	—
		925	5,054
As at 31 March 2025			
Low risk	0.1%	10,627	4,433
Medium risk	14.9%	908	—
		11,535	4,433

The expected loss rates are estimated based on historical observed default rates over the expected life of the debtors and are adjusted for forward-looking information that is available without due costs or efforts. The grouping is regularly reviewed by management to ensure relevant information about specific debtors is updated.

The Target Company recognized loss allowances of HK$30,000, HK$8,000 and HK$116,000, respectively, on trade receivables and reversed loss allowances of HK$nil, HK$1,000 and HK$nil, respectively, on contract assets, respectively during the Relevant Periods.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables and contract assets under the simplified approach during the Relevant Periods.

	Lifetime ECL (not credit-impaired)		
	Trade receivables	**Contract assets**	**Total**
	HK$'000	*HK$'000*	*HK$'000*
1 April 2022	8	4	12
Loss allowances recognised	30	—	30
At 31 March 2023 and 1 April 2023	38	4	42
Loss allowances recognised	8	1	9
At 31 March 2024 and 1 April 2024	46	5	51
Loss allowances recognised	116	—	116
At 31 March 2025	162	5	167

The Target Company writes off a trade receivable or a contract asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier. During the Relevant Periods, none of the trade receivables and contract assets had been written off.

(c) Liquidity risk

In the management of the liquidity risk, the Target Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Target Company's operations and mitigate the effects of fluctuations in cash flows. The directors believe that the Target Company will have sufficient working capital for its future operational requirement.

The following table details the Target Company's contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Target Company can be required to pay. The table includes both interest and principal cash flows.

	%	Carrying amount at balance sheet date *HK$'000*	Total contractual undiscounted cash flow *HK$'000*	Within one year or on demand *HK$'000*
At 31 March 2023				
Trade payables	N/A	2,040	2,040	2,040
Bank borrowings	2.75	134	158	158
		2,174	2,198	2,198

	%	Carrying amount at balance sheet date *HK$'000*	Total contractual undiscounted cash flow *HK$'000*	Within one year or on demand *HK$'000*	>1 year but <2 years *HK$'000*
At 31 March 2024					
Trade payables	N/A	2,992	2,992	2,992	—
Lease liabilities	3.36	193	200	126	74
		3,185	3,192	3,118	74

	%	Carrying amount at balance sheet date *HK$'000*	Total contractual undiscounted cash flow *HK$'000*	Within one year or on demand *HK$'000*
At 31 March 2025				
Trade payables	N/A	7,021	7,021	7,021
Lease liabilities	3.36	72	74	74
Bank borrowings	3.96	2,202	2,588	2,588
		9,295	9,683	9,683

(d) Interest rate risk

The Target Company's bank borrowings and lease liabilities bear interests at fixed interest rates and therefore are subject to fair value interest rate risks. Certain bank balances were arranged at floating rates varied with the prevailing market condition and therefore were subjected to cash flow interest rate risk. No sensitivity analysis is presented as the management consider that the exposure of cash flow interest rate risk arising from variable-rate bank balances is insignificant.

(e) Fair values

The carrying amounts of the Target Company's financial assets and financial liabilities as reflected in the statements of financial position approximate their respective fair values.

23. RECONCILIATIONS OF LIABILITIES ACTIVITIES FROM FINANCING ACTIVITIES

The table below details changes in the Target Company's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were or future cash flows will be classified in the Target Company's statement of cash flows as cash flows from financing activities:

	Bank Borrowings *(note 19)* *HK$'000*	**Lease Liabilities** *(note 20)* *HK$'000*	**Total** *HK$'000*
At 1 April 2022	398	—	398
Financing cash flows	(272)	—	(272)
Other changes:			
— Interest expenses	8	—	8
At 31 March 2023 and at 1 April 2023	134	—	134
Financing cash flows	(136)	(53)	(189)
Other changes:			
— Interest expenses	2	2	4
— Addition of lease	—	244	244
At 31 March 2024 and at 1 April 2024	—	193	193
Financing cash flows	2,112	(126)	1,986
Other changes			
— Interest expenses	90	5	95
At 31 March 2025	2,202	72	2,274

24. EVENTS AFTER REPORTING PERIOD

There were no significant subsequent events which have occurred to the Target Company since the end of the Relevant Periods.

The following is the text of the independent reporting accountants' assurance report received from the independent reporting accountants, OOP CPA & Co, Certified Public Accountants, Hong Kong, in respect of the Group's pro forma financial information for the sole purpose of inclusion in this circular.

奧柏國際

30 September 2025

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION

To the directors of Unity Enterprise Holdings Limited

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Unity Enterprise Holdings Limited (the "**Company**") and its subsidiaries (collectively referred to as the "**Group**"), including Newco Construction Engineering Limited (the "**Target Company**" and together with the Group hereinafter referred to as the "**Enlarged Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated statement of financial position as at 30 June 2025, the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated cash flows for the year ended 31 December 2024 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on pages III-5 to III-10 of Appendix III of the circular issued by the Company dated 30 September 2025 (the "**Circular**") in connection with the proposed acquisition of 100% equity interest of the Target Company (the "**Proposed Acquisition**") by the Company. The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described on pages III-5 to III-10 of Appendix III of the Circular.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Proposed Acquisition on the Group's consolidated financial position as at 30 June 2025 and the Group's financial performance and cash flows for the year ended 31 December 2024 as if the Proposed Acquisition had taken place at 30 June 2025 and 1 January 2024. As part of this process, information about the Group's financial position as at 30 June 2025, and the Group's financial performance and cash flows for the year ended 31 December 2024 has been extracted by the Directors from the Group's interim result announcements for the six months ended 30 June 2025 and the audited consolidated financial statements as included in the Group's published annual report for the year ended 31 December 2024, respectively. For the information about the Target Company's financial position, financial performance and cash flows has been extracted by the Directors from the Target Company's financial statements for year ended 31 March 2025 on which accountants reports have been published in Appendix II to the Circular.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and with reference to Accounting Guideline 7 "*Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars*" ("**AG 7**") issued by the Hong Kong Institute of Certified Public Accountants ("**HKICPA**").

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the "*Code of Ethics for Professional Accountants*" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "*Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*" by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountant's Responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("**HKSAE**") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plans and performs procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the Proposed Acquisition at 30 June 2025 and 1 January 2024 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the Unaudited Pro Forma Financial Information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

OOP CPA & Co.
Certified Public Accountants
Hong Kong
30 September 2025

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE ENLARGED GROUP

INTRODUCTION

The following is an illustrative Unaudited Pro Forma Financial Information of the Enlarged Group of which have been prepared on the basis of the notes set out below for the purpose of illustrating the effect of the Proposed Acquisition as if it had taken place on 30 June 2025 and 1 January 2024 for the unaudited pro forma consolidated statement of financial position, the unaudited pro forma consolidated statement of comprehensive income and the unaudited pro forma consolidated statement of cash flows of the Enlarged Group.

The Unaudited Pro Forma Financial Information is prepared based on (i) the unaudited consolidated statement of financial position of the Group as at 30 June 2025, the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows for the year ended 31 December 2024, which have been extracted from the interim result announcements for the six months ended 30 June 2025 and the published annual report of the Company for the year ended 31 December 2024, respectively; and the audited statement of financial position of the Target Company as at 31 March 2025, the audited statement of profit or loss and other comprehensive income and the audited statement of cash flows of the Target Company for the year ended 31 March 2025, which have been extracted from the accountants' report thereon set out in Appendix II of the Circular, after making pro forma adjustments relating to the Proposed Acquisition that are (i) directly attributable to the Proposed Acquisition; and (ii) factually supportable, as if the Proposed Acquisition had been completed on 30 June 2025 and 1 January 2024.

The Unaudited Pro Forma Financial Information has been prepared by the Directors based on a number of assumptions, estimates, uncertainties and currently available information, and is provided for illustrative purposes only. Due to its hypothetical nature, the Unaudited Pro Forma Financial Information may not give a true picture of the actual financial position, financial performance and cash flows of the Enlarged Group that would have been attained had the Proposed Acquisition been completed as at 30 June 2025 and 1 January 2024. Furthermore, the Unaudited Pro Forma Financial Information does not purport to predict the Enlarged Group's future financial position.

The Unaudited Pro Forma Financial Information should be read in conjunction with the financial information of the Group, as incorporated by reference in Appendix I to this circular, and that of the Target Company, as set out in Appendix II to this circular, and other financial information included elsewhere in this circular.

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

	The Group as at 30 June 2025	The Target Company as at 31 March 2025	Pro Forma Adjustments		Unaudited pro Forma of the Enlarged Group as at 30 June 2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3 (a) & (b)*	*Note 4*	
Non-current assets					
Property, plant and equipment	1,024	81	—	—	1,105
Goodwill	64,871	—	27,863	—	92,734
Total non-current assets	65,895	81	27,863	—	93,839
Current assets					
Trade receivables	80,991	11,373	—	—	92,364
Contract assets	39,554	4,428	—	—	43,982
Deposits, prepayments and other receivables	28,864	1,162	—	—	30,026
Amount due from a controlling shareholder	65	—	—	—	65
Amount due from a related company	1,494	—	—	—	1,494
Amount due from a director	—	476	—	—	476
Cash and bank balances	9,031	2,863	—	—	11,894
Total current assets	159,999	20,302	—	—	180,301
Current liabilities					
Trade payables	39,485	7,021	—	—	46,506
Accrued liabilities and other payables	31,510	3,365	—	640	35,515
Promissory note	32,310	—	—	—	32,310
Bank borrowings	2,885	2,202	—	—	5,087
Lease liabilities	401	72	—	—	473
Tax payable	679	586	—	—	1,265
Total current liabilities	107,270	13,246	—	640	121,156
Net current assets	52,729	7,056	—	(640)	59,145
Total assets less current liabilities	118,624	7,137	27,863	(640)	152,984

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF ASSETS AND LIABILITIES OF THE ENLARGED GROUP

	The Group as at 30 June 2025	The Target Company as at 31 March 2025	Pro Forma Adjustments		Unaudited pro Forma of the Enlarged Group as at 30 June 2025
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3 (a) & (b)*	*Note 4*	
Non-current liabilities					
Lease liabilities	66	—	—	—	66
Deferred tax liabilities	26	—	—	—	26
Promissory note	—	—	24,147	—	24,147
Total non-current liabilities	92	—	24,147	—	24,239
NET ASSETS	118,532	7,137	24,147	(640)	128,745
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	14,095	10	10,843	—	24,948
Reserves	104,437	7,127	(7,127)	(640)	103,797
	118,532	7,137	3,716	(640)	128,745

UNAUDITED PRO FORMA CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	The Group for the year ended 31 December 2024	The Target Company for the year ended 31 March 2025	Pro Forma Adjustment	Unaudited pro forma of the Enlarged Group for the year ended 31 December 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 4*	
Revenue	151,522	50,121	—	201,643
Cost of services	(152,979)	(42,096)	—	(195,075)
Gross (loss) profit	(1,457)	8,025	—	6,568
Other incomes and gains, net	1,002	125	—	1,127
Administrative expenses	(6,524)	(2,680)	(640)	(9,844)
Impairment losses on trade receivables and contract assets	(19,800)	(116)	—	(19,916)
Finance costs	(96)	(95)	—	(191)
(Loss) profit before income tax expense	(26,875)	5,259	(640)	(22,256)
Income tax expense	(128)	(597)	—	(725)
(Loss) profit and total comprehensive (expense) income for the year	(27,003)	4,662	(640)	(22,981)
(Loss) profit attributable to equity holders of the Company	(27,003)	4,662	(640)	(22,981)

UNAUDITED PRO FORMA CONSOLIDATED CASH FLOW STATEMENT

	The Group for the year ended 31 December 2024	The Target Company for the year ended 31 March 2025	Pro Forma Adjustments		Unaudited pro forma of the Enlarged Group for the year ended 31 December 2024
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	Note 1	*Note 2*	*Note 3(a) and 5*	*Note 4*	
Net cash generated from operating activities	590	859	—	(640)	809
Cash flows from investing activities					
Interest received	2	17	—	—	19
Purchase of property, plant and equipment	(1)	—	—	—	(1)
Acquisition of assets through acquisition of subsidiary	319	—	2,863	—	3,182
Net cash generated from investing activities	320	17	2,863	—	3,200
Cash flows from financing activities					
Proceeds from bank borrowings	—	2,400	—	—	2,400
Repayments of bank borrowings	(1,987)	(198)	—	—	(2,185)
Payments of lease liabilities	(261)	(121)	—	—	(382)
Finance cost paid	(96)	(95)	—	—	(191)
Advance from a controlling shareholder	1,014	—	—	—	1,014
(Advanced to) a director	—	(64)	—	—	(64)
Issuance of promissory note	—	—	24,147	—	24,147
Net cash (used in) generated from financing activities	(1,330)	1,922	24,147	—	24,739
Net (decrease) increase in cash and cash equivalents	(420)	2,798	27,010	(640)	28,748
Cash and cash equivalents at beginning of the year	10,100	65	(65)	—	10,100
Cash and cash equivalents at end of the year, representing cash and bank balances	9,680	2,863	26,945	(640)	38,848

Notes:

(1) The amounts have been extracted from the unaudited consolidated statement of financial position of the Group as at 30 June 2025 included in the interim results announcement of the Group for the six months ended 30 June 2025 issued on 27 August 2025, and the audited consolidated statement of profit or loss and other comprehensive income and the audited consolidated statement of cash flows of the Group for the year ended 31 December 2024 included in the published annual report of the Company for the year ended 31 December 2024, dated 26 March 2025.

(2) The amounts are extracted from the statement of financial position of the Target Company as at 31 March 2025 and the statement of profit and loss and other comprehensive income and the statement of cash flows of the Target Company for the year ended 31 March 2025 as set out in Appendix II to this circular.

(3) Upon the completion of the Acquisition, the Target Company will become a wholly-owned subsidiary of the Company. The identifiable assets and liabilities of the Target Company will be accounted for by the Group at their fair values in accordance with HKFRS 3 (Revised) "*Business Combination*".

(a) The assets and liabilities of the Target Company will be consolidated into the consolidated statement of financial position of the Group. Goodwill arising on the date of acquisition of the Target Company is calculated as follows:

	HK$'000
Fair value of the identifiable net assets of the Target Company	7,137
Consideration shares (i)	10,853
Promissory Note (ii)	24,147
Total consideration	35,000
Goodwill (iii)	27,863

Pursuant to the Sale and Purchase Agreement, the consideration of HK$35,000,000 is for the acquisition of 100% of the entire issued share capital of the Target Company. The total consideration of HK$35,000,000 is to be satisfied as to:

(i) Before the effective date of Share Consolidation, 281,904,762 new shares ("**Consideration Shares**") are to be issued by the Company as Consideration Shares. The fair value of each Consideration Share is HK$0.0385, referenced to

- a discount of approximately 19.79% to the closing price of HK$0.048 per share of the Company ("**Share**") as quoted on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") on 6 August 2025, being the date of the Sale and Purchase Agreement;
- a discount of approximately 17.38% to the average closing price of HK$0.0466 per Share as quoted on the Stock Exchange for the five (5) trading days immediately prior to the date of the Sale and Purchase Agreement; and
- a discount of approximately 16.21% to the average closing price of HK$0.04595 per Share as quoted on the Stock Exchange for the 20 trading days immediately prior to the date of the Sale and Purchase Agreement.

Each of the ordinary shares of the Company carry a par value of HK$0.01. For the purpose of the Unaudited Pro Forma Financial Information, the Directors have assumed the fair value of the Consideration Shares is HK$10,853,000, using the fair value of the Company's shares of HK$0.0385 as detailed above, in which HK$2,819,000 shall be recognised as share capital while the remaining HK$8,034,000 shall be recognised in share premium.

(ii) The principal amount of the Promissory Note is HK$24,146,666.66 which is non interest-bearing and to be matured after 18 months from the date of issue of the Promissory Note.

(iii) It is expected that the completion of the Proposed Acquisition may generate a goodwill of approximately HK$27,863,000 to the Group. As the fair value of the assets and liabilities of the Target Company at the Completion Date are yet to be identified and measured, the actual amount of goodwill can only be determined at the Completion.

(b) For the purpose of the Unaudited Pro Forma Financial Information, the share capital and reserves of the Target Company are eliminated upon consolidation by the Group. Therefore, the share capital of HK$10,000 and reserves of HK$7,127,000 of the Target Company have been eliminated.

(4) It represents the estimated legal and professional fees and other direct expenses in relation to the Proposed Acquisition of approximately HK$640,000.

(5) The cash flow for acquisition amounted to HK$2,863,000, in the unaudited pro forma consolidated statement of cash flows, represents the cash and cash equivalents acquired at acquisition of the subsidiary.

(6) No other adjustment has been made to reflect any trading results or other transactions entered into by the Group or the Target Company subsequent to 30 June 2025 for the unaudited pro forma consolidated statement of financial position as at 30 June 2025, and subsequent to 1 January 2024 for the unaudited pro forma consolidated statement of profit or loss and other comprehensive income and the unaudited pro forma consolidated statement of cash flows for the year ended 31 December 2024 as if the Proposed Acquisition had taken place as at 30 June 2025 and 1 January 2024, respectively.

*Set forth below is the management discussion and analysis of the Target Company for the three financial years ended 31 March 2023, 2024 and 2025 (collectively, the "**Reporting Period**") based on the financial information on the Target Company set out in Appendix II to this circular.*

BUSINESS OVERVIEW

The Target Company is a company incorporated in Hong Kong and is principally engaged in providing a comprehensive range of contracting services for building construction, repair, maintenance, alteration and addition ("**RMAA**"). The scope of services offered by the Target Company includes, but is not limited to, building repair and renovation, structural works, drainage and plumbing, alteration and addition works, as well as demolition works for both industrial and residential properties. Through its diversified service portfolio, the Target Company is able to meet the needs of a broad spectrum of clients within the construction sector.

FINANCIAL REVIEW

Financial Information on the Target Company

Set out below is a summary of the financial information of the Target Company extracted from Appendix II of this circular.

	Year ended 31 March		
	2023	**2024**	**2025**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	21,228	19,661	50,121
(Loss)/profit before tax	(458)	(118)	5,259
(Loss)/profit and total comprehensive income/ (expense) for the year/period	(458)	(118)	4,662

For further financial information of the Target Company, please refer to Appendix II of this circular.

Revenue

The Target Company's revenue is mainly derived from the provision of RMAA works in Hong Kong, recognised over time pursuant to project-based contracts. Revenue decreased from approximately HK$21.2 million for the year ended 31 March 2023 to approximately HK$19.7 million for the year ended 31 March 2024, primarily due to fluctuations in project progress and the prevailing market conditions. Revenue rebounded significantly to approximately HK$50.1 million for the year ended 31 March 2025, mainly attributable to the commencement and progress of several new projects and increased demand for RMAA services.

Profit/(loss) and total comprehensive income/(expense) for the year/period

The Target Company recorded a net loss of approximately HK$458,000 and HK$118,000 for the years ended 31 March 2023 and 2024, respectively, mainly due to the subdued construction market and the timing of project revenue recognition. For the year ended 31 March 2025, the Target Company recorded a turnaround to a net profit of approximately HK$4.7 million, which was mainly driven by the significant increase in revenue and gross profit, as well as enhanced cost control and project execution.

Liquidity and Financial Resources

As at 31 March 2023, 2024 and 2025, the Target Company's bank borrowings were approximately HK$134,000, nil and HK$2,202,000, respectively. These borrowings are supported by the SME Financing Guarantee Scheme executed by the Government of Hong Kong Special Administrative Region, with full guarantee from HKMC Insurance Limited, and are also secured by personal guarantees provided by the director of the Target Company.

Net current assets amounted to approximately HK$2,578,000, HK$2,333,000 and HK$7,056,000 as at 31 March 2023, 2024 and 2025, respectively, reflecting a strong liquidity position as at the latest year end.

Capital Structure and Gearing Ratio

As at 31 March 2025, the Target Company's total equity amounted to approximately HK$7.1 million. The gearing ratio (calculated as bank borrowings plus trade payables divided by total capital) was approximately 1.29 times as at 31 March 2025 (2024: 1.21 times; 2023: 0.84 times), reflecting a moderate level of leverage.

Dividend

No dividend was declared by the Target Company during the years ended 31 March 2023, 2024 and 2025.

Contingent Liabilities

As at 31 March 2023, 2024 and 2025, the Target Company did not have any contingent liabilities.

Foreign Exchange Risk

The Target Company is not exposed to foreign exchange risk as all of its revenue and non-current assets are located in Hong Kong and all transactions are denominated in Hong Kong dollars, which is the functional currency of the Target Company. The Target Company does not have a foreign currency hedging policy.

Material Acquisitions and Disposals

There were no material acquisitions or disposals of subsidiaries or associated companies by the Target Company during the Relevant Periods.

Significant Investments Held

Save as disclosed, the Target Company did not hold any significant investments during the Relevant Periods.

Risks and Uncertainties

The principal risks facing the Target Company include market fluctuations affecting the construction industry, such as changes in interest rates, government policies, and the macroeconomic environment. The management will continue to closely monitor these factors and implement prudent risk management strategies.

The seasonality of borrowing requirements, the maturity profile of borrowings and committed borrowing facilities of the Target Company

The Target Company had bank borrowings of approximately HK$134,000 as at 31 March 2023 (supported by the SME Financing Guarantee Scheme), nil as at 31 March 2024, and HK$2.2 million as at 31 March 2025. The borrowings were repayable within one year and up to 5 years, with scheduled repayment terms ranging between within 1 year and over 2 years but less than 5 years. Bank borrowings were principally secured by the SME Financing Guarantee Scheme executed by the HKSAR Government and were also supported by personal guarantees provided by the director of the Target Company.

As at 31 March 2025, the Target Company had unutilised banking facilities of approximately HK$198,000.

The Target Company is principally engaged in providing repair, maintenance, alteration and addition works in Hong Kong. As is typical for contractors in the construction industry, its cash flow pattern is primarily driven by the timing of project expenditures (e.g. subcontractor fees, materials and wages) versus progress payments from customers. This results in a project-driven fluctuation in working capital requirements, rather than any fixed seasonal borrowing pattern during the year.

The Target Company's borrowing requirements may increase at times when new projects commence and mobilisation costs are incurred in advance of progress billing, and then reduce once customer payments are received. For the years under review, bank borrowings amounted to approximately HK$134,000 as at 31 March 2023, nil as at 31 March 2024, and approximately HK$2.2 million as at 31 March 2025. Such borrowings were utilised to bridge temporary working capital needs at certain points of project execution.

Accordingly, the Target Company does not have a recurring seasonal pattern of borrowing requirements; instead, borrowing needs are linked to project progress and timing of customer settlements.

The funding and treasury policies and objectives in terms of the manner in which treasury activities are controlled of the Target Company

The Target Company adopts a prudent and conservative treasury policy with the primary objectives of safeguarding liquidity, maintaining a healthy financial position and supporting the operational needs of its projects. Funding is primarily derived from internally generated cash flows and, where necessary, supplemented by bank borrowings. Such borrowings have historically been modest in size and supported by government-backed guarantee schemes and personal guarantees provided by the director. The Target Company does not engage in speculative treasury activities and does not utilise any complex financial instruments. Treasury activities are centrally monitored and controlled by management to ensure that the use of funds is consistent with the overall business strategy and risk management objectives.

The currencies in which borrowings are made and in which cash and cash equivalents are held by the Target Company

The Target Company conducts all of its operations in Hong Kong and settles substantially all transactions, including revenues, costs and borrowings, in Hong Kong dollars, which is also its functional and reporting currency. Cash and bank balances are held in Hong Kong dollars. Accordingly, the Target Company is not exposed to any material foreign currency risk.

The extent to which borrowings are at fixed interest rates of the Target Company

As at 31 March 2023, the Target Company had one bank which bore interest at a fixed rate of 2.75% per annum. As at 31 March 2024, the Target Company had no bank borrowings. As at 31 March 2025, the Target Company only has one borrowing at fixed interest rate at 3.96% per annum. The Target Company therefore is not subject to fluctuations in interest costs arising from variable-rate borrowings.

Further details on the reasons leading to the fluctuations in project progress in FY2024 compared to FY2023

The Target Company's revenue and project progress are naturally subject to variations depending on the timing and execution of individual projects. The fluctuations in project progress between FY2023 and FY2024 were primarily attributable to project scheduling and external factors outside the Company's control. In particular, (i) certain projects experienced delays due to adverse weather conditions which affected site work, and (ii) revised instructions from clients requiring design or scope adjustments during the construction stage, which postponed progress billing milestones. Such factors are common in the construction industry and can lead to timing differences in recognition of revenue and expenses across financial years, without necessarily reflecting any material change in the overall project pipeline or profitability of the Target Company.

Details of the number and remuneration of employees, remuneration policies, bonus and share schemes and training schemes of the Target Company

As at 31 March 2025, there were 3 employees of the Target Company.

Employee benefit expenses were approximately HK$1.13 million, HK$1.11 million and HK$1.11 million for FY2023, FY2024 and FY2025, respectively, comprising salaries, allowances and retirement benefits contributions.

The Target Company maintains a fair and market-aligned remuneration policy designed to attract, retain and motivate qualified employees. Remuneration packages generally comprise salaries, allowances and statutory contributions to retirement benefit schemes, which are reviewed by management on a regular basis with reference to individual performance, market conditions and the Target Company's financial results. The Target Company does not operate any share option scheme or profit-sharing plan during the track record period.

The Target Company provides on-the-job training and guidance to ensure that staff acquire the skills and knowledge required for their respective roles. Management encourages employees to enhance their professional and technical competencies through practical project exposure and, where appropriate, external training opportunities relevant to the construction industry.

Details of charges on group assets, or an appropriate negative statement

As at 31 March 2025, there were no charges on the Target Company's assets.

FUTURE PLANS AND PROSPECTS

Looking forward, the Target Company will continue to focus on strengthening its core RMAA business and enhancing operational efficiency. The Directors believe that the acquisition of the Target Company by the Group will further enhance the Group's overall capacity, competitiveness, and ability to tender for larger RMAA and construction projects in Hong Kong.

With a proven track record, industry qualifications, and a strong project pipeline, the Target Company is well positioned to capitalise on growing market opportunities and contribute to the long-term growth and value creation for the Group's shareholders.

As at the latest practicable date, the Target Company did not have any plans for material investments or capital asset expenditure.

CONCLUSION

The acquisition of the Target Company is in line with the Company's strategic objectives. The management discussion and analysis underscores the solid foundation and growth potential of the Target Company, and highlights the anticipated synergies and long-term value creation for the enlarged Group and its shareholders.

The following is the text of a valuation report, prepared for the purpose of incorporation in this circular received from Valtech Valuation Advisory Limited, an independent valuer, in connection with its valuation as at 31 March 2025 of the Target Company.

Valtech
Valuation Advisory

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Board of Directors
Unity Enterprise Holdings Limited
Unit 1002, 10/F, Billion Trade Centre
31 Hung To Road, Kwun Tong,
Kowloon, Hong Kong

30 September 2025

Dear Sir/Madam,

Valuation of Newco Construction Engineering Limited

In accordance with the instructions from Unity Enterprise Holdings Limited (the "**Company**"), we have been engaged by the Company to assist to determine the following subject of valuation as at 31 March 2025 (the "**Valuation Date**").

- Market Value of 100% Equity Interest in Newco Construction Engineering Limited (the "**Target Company**") as at the Valuation Date for the Company's transaction reference.

Our analyses are substantially based on the information provided to us by the existing management of the Company (the "**Management**"). It is our understanding that our analyses, and the subsequent appraised estimation of Market Value (as defined in the section of Standard and Basis of Value), will be used by the Management solely for their purpose of transaction reference only. Our analyses were conducted for the above stated purpose. As such, this report should not be used by the Company for any other purpose other than those that are expressly stated herein without our expressed prior written consent.

Our work was subject to section Statement of Limiting Conditions as described till the end of this report. The basis of value follows the definition of Market Value as stipulated in International Valuation Standards ("**IVS**"), premised on the Target Company being a "Highest and Best Use" basis.

The approaches and methodologies used in our work did not comprise an examination to ascertain whether the Company's presented financial information was constructed in accordance with generally accepted accounting principles. The objective of the aforesaid examination is of course to determine whether existing current financial statements or other financial information, historical or prospective, which are provided to us by the Management, are being expressed as a fair presentation of the Company's financial condition. As such, we express no opinion and accept no responsibility on the accuracy and/or completeness of the historical and projected financial information of the Company, and of the marketing materials or other data provided to us by the Management.

Our conclusion on Market Value does not constitute nor shall they be construed to be an investment advice or an offer to invest. Prior to making any decisions on any investments, a prospective investor should independently consult with their own investment, accounting, legal and tax advisers to critically evaluate the risks, consequences, and suitability of such investment.

SCOPE AND PURPOSE OF ENGAGEMENT

We were engaged by the Management to assist to determine the Market Value of the Target Company as at the Valuation Date. It is our understanding that our analysis will be used by the management of the Company solely for their transaction reference only.

STANDARD AND BASIS OF VALUE

This valuation was prepared on the basis of Market Value. In accordance with the IVS, Market Value is the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion. When appropriate, we might also make further reference to the Hong Kong Financial Reporting Standard 13 — Fair Value Measurement ("**HKFRS 13**"). The HKFRS 13 and IVS outline the general guidelines on the basis and valuation approaches used in valuation.

PREMISE OF VALUE

Premise of value relates to the concept of valuing a subject, i.e., a business, in a manner which would generate the greatest return to the owner, taking account what is physically tangible, financially feasible, and legally permissible. Premise of value includes the following scenarios:

Highest and Best Use:	is the use that would produce the highest and best use for an asset, and it must be financially feasible, legally allowed and result in the highest value;
Current Use/Existing Use:	is the current way an asset, liability, or group of assets and/or liabilities is used, maybe yet not necessarily the highest and best use;
Orderly Liquidation:	describes the value of a group of assets that could be realized in a liquidation sale, given a reasonable period of time to find a purchaser/(s), with the seller being compelled to sell on an as-is, where-is basis; and
Forced Sale:	is in circumstances where a seller is under compulsion to sell and that, as a consequence, a proper marketing period is not possible and buyers may not be able to undertake adequate due diligence.

After having reviewed all background and financial information and taken into consideration all relevant facts, valuation of the Target Company should be prepared on a "Highest and Best Use" basis.

LEVEL OF VALUE

Current valuation theories suggest that there are at least three basic "levels" of value applicable to a business or business interest. The three most common levels of value are as follows:

Controlling Interest:	Value of the controlling interest, always evaluate an enterprise as a whole;
Non-controlling Interest:	Value of the non-controlling interest of a business;
As if Freely Tradable Minority Interest:	Value of a minority interest, lacking control, but enjoys the benefit of market liquidity; and
Non-marketable Interest:	Value of a business that or business interest lacking market liquidity.

After having reviewed all background and financial information and take into consideration all relevant and objective facts, we reasonably believe the Target Company should be prudently valued and reported in this valuation as a Controlling Interest and Non-marketable Interest.

SOURCES OF INFORMATION

Our analysis and conclusion of opinion on value were based on continued discussions with, and having obtained pertinent key documents and records provided by the Management, and conducted certain procedures including but not limited to:

- Obtained audited financial reports of the Target Company for each of the three financial years ended 31 March 2023, 2024 and 2025;
- Obtained fixed asset register and depreciation schedule for the year ended 31 March 2025;
- Obtained company profile of the Target Company;
- Obtained project summary of the Target Company for the year ended 31 March 2023, 31 March 2024 and 31 March 2025; and
- Obtained current bank loan agreement and schedule.

We have also relied upon publicly available information from sources in capital markets, including industry reports, news and various databases of publicly traded companies.

ECONOMIC OVERVIEW

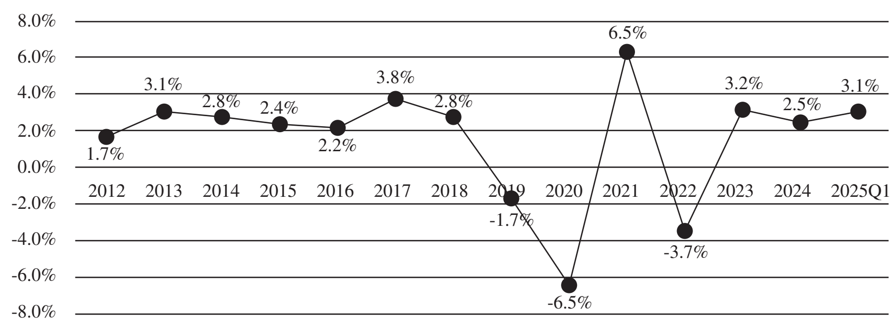
To substantiate the economic background of the country/region where the Target Company with principal place of business is located, we have reviewed the economic condition of Hong Kong where the Target Company will derive its future income from.

Hong Kong is widely recognized as the world's freest economy and most services-oriented economy, with services sectors accounting for more than 90% of Gross Domestic Product ("**GDP**"). Hong Kong is an important financial centre in the Asia Pacific and the 6th leading global financial centre, according to the Global Financial Centre Index. Hong Kong is also a global offshore RMB business hub and largest offshore RMB clearing centre sharing about 78.3% of the world's RMB payments.

Gross Domestic Product

Hong Kong's GDP stayed moderate in 2024 and grew by 2.5% year-on-year in real terms, following a growth of 3.2% in 2023, and continued to expand solidly in the first quarter of 2025, with real GDP increased by 3.1% year-on-year. Exports of services improved sequentially as cross-border financial activities improved and inbound tourism continued to recover. Goods exports slowed down compared to the first half of 2024, partly due to a softening economic environment in some major markets. Investment spending improved during the period despite contraction in building and construction activities. Meanwhile, the changes in residents' consumption patterns persisted as a headwind to private consumption, although. International Monetary Fund ("**IMF**") forecasts the economy would grow by 1.5% and 1.9% in 2025 and 2026 respectively.

Figure 1 — Real GDP Growth in Hong Kong, 2012–2025Q1



Source: World Economic Outlook Database (April 2025), IMF, Census and Statistics Department of HKSAR

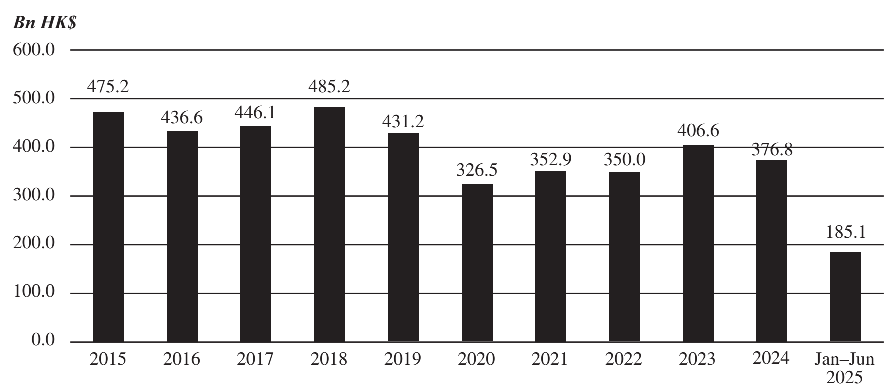
Table 1 — Real GDP Annual Growth Rate and Inflation Forecasts of Hong Kong

	2025F	2026F	2027F	2028F	2029F
Real GDP Annual Growth Rate (%)	1.5	1.9	2.8	2.5	2.4
Inflation (%)	1.9	2.2	2.3	2.4	2.5

Source: World Economic Outlook Database (April 2025), International Monetary Fund

Looking ahead, the Hong Kong economy is expected to grow further at a moderate pace in 2025. While merchandise exports may be impacted by the intensifying trade conflicts, services exports are expected to benefit from the ongoing recovery of inbound tourism amid the supportive measures from the Mainland authorities and the Government's strenuous efforts to revitalise Hong Kong's tourism sector. The value of retail sales, in nominal terms, contracted by 3.4% year-on-year in the first half of 2025 over a year earlier.

Figure 2 — Retail Sales in Hong Kong, 2015–June 2025

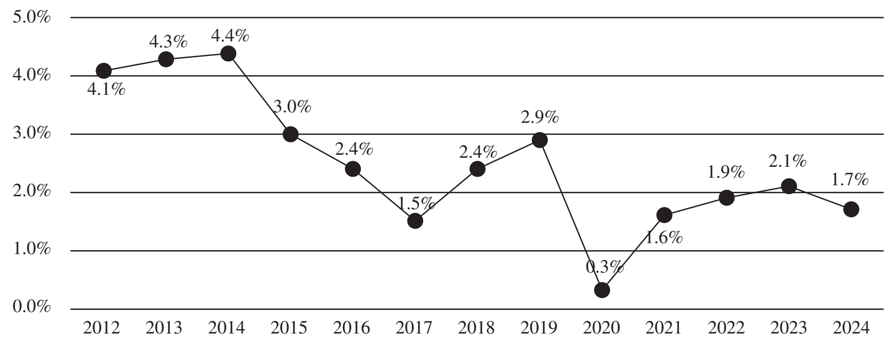


Source: Census and Statistics Department of Hong Kong

Inflation

Consumer price inflation in Hong Kong stayed mild over 2024. On a year-on-year basis, the underlying composite consumer price index increased slightly by 1.1% and 1.2% in the third and fourth quarters of 2024 respectively, and by 1.3% in January and February 2025 combined. A breakdown of its components reveals that the housing rental component has continued to increase gradually, reflecting the feed-through of rising fresh-letting private residential rentals in previous quarters. Meanwhile, upward price pressure from food continued to dissipate, whereas prices of energy related items remained well contained. Looking ahead, overall inflation is expected to remain soft. External price pressures are likely to be contained despite uncertainties surrounding global commodity market developments, mitigating the upward pressure on domestic costs alongside ongoing economic growth. The Government projects the underlying and headline inflation rates to be 1.5% and 1.8% respectively in 2025.

Figure 3 — Year-over-Year CPI Inflation in Hong Kong, 2012–2024

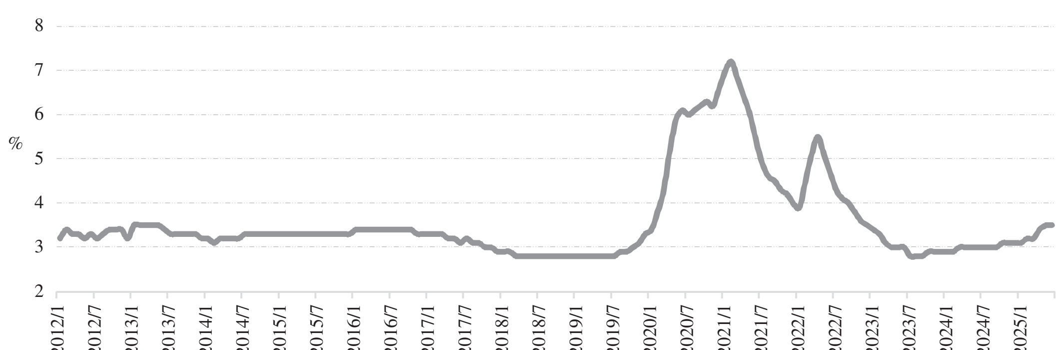


Source: World Economic Outlook Database (April 2025), International Monetary Fund

Labour Market Conditions

The labour market continued to be resilient, with the unemployment rate staying within a low range of 3.0%–3.5% since March 2024. The size of the labour force has also been broadly stable although it has remained below its pre-pandemic level. Looking ahead, labour demand is expected to be supported by ongoing economic growth, although some sectors may be adversely affected by escalating trade tensions. Meanwhile, the Government's various talent attraction initiatives and labour importation schemes will continue to help address manpower demand from various sectors.

Figure 4 — Unemployment Rate (Seasonally Adjusted) in Hong Kong, January 2012–June 2025



Source: World Economic Outlook Database (April 2025), International Monetary Fund

Monetary Policy

The HKD softened in early 2025 but strengthened thereafter amid strong performance of the local stock market. Hong Kong Interbank Offered Rates ("**HIBORs**") generally tracked their US dollar ("**USD**") counterparts while shorter-tenor rates were also being affected by local supply and demand. Short-term HIBORs tightened temporarily in late September 2024 due to buoyant equity market and quarter-end funding demand, firmed up again amid thinner liquidity ahead of the year-end, and then softened in early 2025 as seasonal liquidity tightness eased. Overall, the HKD exchange and money markets continued to trade in a smooth and orderly manner. Looking ahead, rising trade tensions between the US and its major trading partners and heightened uncertainty surrounding the US interest rate outlook may increase fund flow volatility. Nonetheless, with its ample foreign reserves position and robust financial system, Hong Kong is well able to withstand the volatilities in fund flows without compromising its financial stability.

Government Initiatives

The Financial Secretary, Mr. Paul Chan, unveiled his 2025–26 Budget on 26 February 2025. Below are some highlights:

- HK$1 billion is to be set aside for the establishment of a Hong Kong AI Research and Development Institute to promote the application of research outcomes.

- $1.5 billion is to be injected into the BUD Fund and the Export Marketing and Trade and Industrial Organisation Support Fund, with streamlined application arrangements also to be introduced.

- A $10 billion Innovation and Technology Industry Oriented Fund will be set up to channel more market capital investment into emerging/future-facing industries deemed to be of strategic importance.

- HKTDC to launch the E-Commerce Express to provide Hong Kong enterprises with consultation services and organise the second edition of the Hong Kong Shopping Festival.

- Pilot Manufacturing and Production Line Upgrade Support Scheme: $100 million earmarked to provide funding of up to $250,000 on a 1 (government) to 2 (company) matching basis to enterprises.

- SME Financing Guarantee Scheme: principal moratorium application period to last until November 2025.

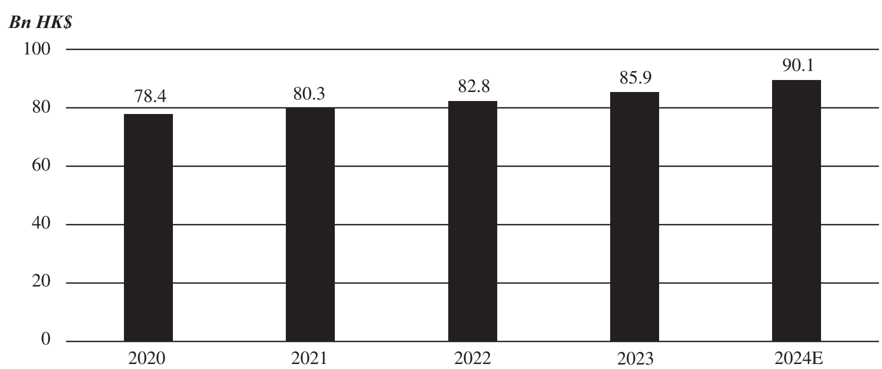
- $3.7 billion is to be earmarked to expedite the provision of the infrastructure and public facilities of the Phase 1 development of the Hong Kong Park.

- Issue bonds worth $150 billion to $195 billion each year under the Government Sustainable Bond Programme and the Infrastructure Bond Programme over the next five years.

INDUSTRY OVERVIEW

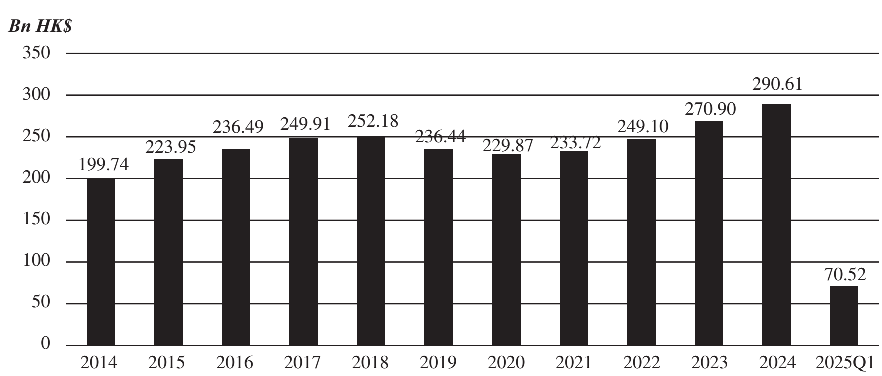
RMAA works are collectively known as repair, maintenance, alteration and addition works, which covers a wide variety of works and services commonly performed in existing buildings for upgrading and renovation purposes. Specifically, the market demand for RMAA works in Hong Kong is highly dependent on the mandatory requirement for inspection, repair, maintenance as well as alteration and addition works in aged buildings. It is usually quite common for RMAA contractors to employ casual workers as subcontractors in RMAA works market in Hong Kong to support the on-site works. The wage level of casual workers undertaking RMAA works is typically in line with the market rate of other RMAA workers employed by contractors. With the growing demand for RMAA works resulted from various mandatory inspection requirement such as Mandatory Building Inspection Scheme, revitalization and redevelopment of ageing buildings. According to Frost & Sullivan, it is estimated that the market size of RMAA works in Hong Kong increased at a CAGR of 3.5% during 2020 to 2024, reaching approximately HK$90.1 billion.

Figure 5 — Market size of RMAA Works in Hong Kong



Source: Frost & Sullivan

Figure 6 — Gross Value of Construction Works Performed by Main Contractors in Hong Kong



Source: Census and Statistics Department of Hong Kong

Market Drivers of RMAA Works Industry in Hong Kong

The development of RMAA industry is closely related to the construction industry as a whole, and the RMAA Industry is expected to benefit from the following market drivers:

1. Trend of aging buildings and mandatory building inspection requirement

As stipulated in the Mandatory Building Inspection Scheme, owners of buildings aged 30 years or above (except domestic buildings not exceeding three-storeys) and served with statutory notices are required to appoint a registered inspector to carry out the prescribed inspection and supervise the prescribed repair works found necessary of the common parts, external walls and projections or signboards of the buildings. According to Frost & Sullivan, there were over 1,000,000 private residential units aged over 20 years in Hong Kong in 2019. Furthermore, according to Urban Renewal Authority ("**URA**") and Buildings Department, the number of residential units aged more than 70 years is expected to increase from over 2,000 in 2018 to 326,000 by the year of 2046. Thus, the growing stock of ageing buildings and mandatory inspection contributes to sustained demand for RMAA works in Hong Kong.

2. Accelerating urban renewal and supportive plans for redevelopment

As estimated, there are approximately 9,300 private buildings aged 30 years or above in metro areas, including Kowloon, Tsuen Wan, Kwai Tsing and Hong Kong Island, as in 2018 and the Development Bureau estimates that the number of buildings over 30 years' old will increase by 50% in ten years' time. In order to improve the overall living conditions of residents in dilapidated urban areas and to address the issues of urban decay, the URA is tasked to take the lead in over 200 projects under the urban renewal program which involved approximately 126,000 residents and 32,000 units for redevelopment. On the other hand, the launch of "Operating Building Bright 2.0", a HK$3 billion worth subsidy scheme to provide direct technical and financial assistance to those private residential or composite buildings aged 50 or above for repair and maintenance, the demand for RMAA works in Hong Kong is expected to be bolstered over the next few years.

3. Demand from renovation and revitalization of commercial and industrial buildings

To preserve the value of buildings, regular renovation and maintenance works is required for commercial premises such as established office space and shopping malls in prime area and district. In view of the expansion of the PRC companies in Hong Kong, the demand for office space increased in recent years and developers are dedicated to upgrade or improve their commercial properties in order to attract and retain their tenants. The industrial buildings owners are also allowed to refurbish the buildings for other purposes under the waiver scheme offered by the Lands Department. As a result, the demand for RMAA works in commercial and industrial buildings are likely to increase in the coming years.

Potential Challenges of RMAA Works industry in Hong Kong

1. Shortage of labor and ageing workforce

As the RMAA works is labour-intensive in nature and there is sustained demand for RMAA workers, the ageing workforce may result in potential decline in productivity and substantial loss in skills transfer given the insufficient participation of young talents in the industry. Besides, the RMAA industry in Hong Kong may find difficulties in attracting new workers to the construction industry due to long work hours and challenging working conditions.

2. Increasing operation cost

The construction and RMAA industry have seen a high demand for labour and has seen a growing wage level given the shortfall between demand and supply of workers. The growing trend of labour cost is likely to continue in the coming few years. Besides, the price of glazed ceramic wall tiles and paint registered a mild growth in recent years, primarily due to the commencement of different building construction projects and hence, driving the demand for these materials.

3. Challenges of construction productivity and workplace safety

RMAA works is considered with a relatively higher risk than other trades, as RMAA works are generally conducted on aerial work platform or platform made of scaffolds on high-rise buildings, which may pose a potential threat on safety of workers. As a result, RMAA works contractors with capability of addressing the issues by undertaking proper measures in enhancing workplace safety and productivity through adoption of new scaffolding systems with strict implementation of other safety measures, as well as retention of skilled workers, are considered more competitive in RMAA works market.

COMPANY OVERVIEW

Unity Enterprise Holdings Limited

The Company is an investment holding company and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 2195). The Company and its subsidiaries are principally engaged in the repair, maintenance, alteration and addition (“**RMAA**”) works.

Newco Construction Engineering Limited

The Target Company is a company and is incorporated in Hong Kong with limited liability and is a Registered General Building Contractor under the registration system of the Building Department of Hong Kong. It is principally engaged providing contracting services for building construction, repair, and maintenance works. Its service include, but are not limited to, building repair and renovation, structural works, drainage, plumbing, alteration and addition works, and demolition works for both industrial and residential properties.

VALUATION METHODOLOGY OVERVIEW

The valuation of any asset can be broadly classified into one of the three approaches, namely the cost approach, the market approach and the income approach. In any valuation analysis, all three approaches must be considered, and the approach or approaches deemed most relevant will then be selected for use in the analysis of that asset.

Cost Approach

The cost approach provides an indication of value using the economic principle that a buyer will pay no more for an asset than the cost to obtain a business, business ownership interest, security, or intangible asset of equal utility, whether by purchase or by construction, unless undue time, inconvenience, risk or other factors are involved. The approach provides an indication of value by calculating the current replacement or reproduction cost of an asset and making deductions for physical deterioration and all other relevant forms of obsolescence.

Market Approach

The market approach provides an indication of value by comparing a business, business ownership interest, security, or intangible asset with identical or comparable (that is similar) subjects for which price information is available.

Value is established based on the principle of comparison. This simply means that if one thing is similar to another and could be used for the other, then they must be similar. Furthermore, the price of two alike and similar items should be approximates to one another.

Income Approach

This is a general way of determining the economic value of a business, business ownership interest, security, or intangible asset by using one or more methods that convert anticipated benefits into a present value amount.

In the income approach, an economic benefit stream of the asset under analysis is selected, usually based on historical and/or forecasted cash flow. The focus is to determine a benefit stream that is reasonably reflective of the asset's most likely future benefit stream. This selected benefit stream is then discounted to present value with an appropriate risk-adjusted discount rate. Discount rate factors often include general market rates of return at the Valuation Date, business risks associated with the industry in which the company operates, and other risks specific to the asset being valued.

Selected Valuation Approach

Methodology Analysis	Reason for Applying or not Applying
Cost Approach (also known as Asset Approach) (Note^) is Rejected	• The Target Company has commenced its operation since 2009 with track record of solid recent revenue growth from 2023 to 2025 (up to the Valuation Date). Its profiting nature and unique background makes it not easily replaced or reproduced from other market participants.
Market Approach is Accepted	• The market approach refers to the market indication of valuation based on public information available to all market participants. Compared to the income approach, the market approach makes less reliance on management assumptions but more on market expectations. For the Target Company as a profitable business (but with high projection uncertainty), it is more appropriate to use the market approach which reflects the market participant's current assessment without material management assumptions on projections.
	• There are sufficient Guideline Publicly-traded Comparable companies available in the market which facilitate a meaningful comparison and provide inputs for determining the valuation multiple. As such, the Guideline Publicly-traded Comparable Method under the Market Approach is applied and considered as appropriate and reliable. Further explanations are made under the section "APPLICATION OF MARKET APPROACH".
Income Approach is Rejected	• The income approach is commonly adopted to value a business with stable track record and low projection uncertainty. However, given that the Target Company is driven by project-based business, any business projection might be based on significant management assumptions (e.g. synergy with the existing and prospective management, plans on capital expenditure, financing and operating assumptions). As such, the income approach is not accepted for valuing the Target Company, especially when the Market Approach is more practical and reliable.

Note^: Pursuant to International Valuation Standards published by International Valuation Standards Council, there are three cost approach methods, being replacement cost, reproduction cost and summation method. Replacement cost and reproduction cost methods are typically adopted to valuate physical assets (e.g. plant and machineries), whereas summation method, also referred to as "underlying asset method" or "asset approach" in practice, is typically adopted to valuate investment companies or entities by valuing their component assets and liabilities. In other words, asset approach remeasures the fair value of the component asset and liabilities (equivalent to net asset value) of the companies or entities. In the context of business valuation, the summation method (i.e. asset approach) directly ignores the revenue and profit generating metrics of the underlying assets, companies and entities, and thus the method is only applicable to investment holding companies (i.e. typically investment fund entities) where their underlying assets and liabilities are already re-measured to fair value standard in line with applicable accounting standards. The summation method (i.e. asset approach) is rarely used in valuing operating companies with track record of meaningful revenue and profits.

GENERAL ASSUMPTIONS

A number of general assumptions were established to sufficiently support our conclusion of valuation. The general assumptions adopted in this valuation are:

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the existing political, legal, commercial and banking regulations, fiscal policies, foreign trade and economic conditions in countries/regions where the Target Company currently operates in and in new markets that the Target Company may potentially expand into as proposed by Management;

- There are no deviations, the aggregate of which when viewed together, may be construed to be a material adverse change in industry demand and/or market conditions;

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the fluctuation of interest rates or currency exchange rates in any country which would be deemed to have a negative impact or the ability to hinder the existing and/or potentially future operations of the Target Company;

- There are no changes, the aggregate of which when viewed together, may be construed to be a material adverse change in the current laws of taxation in those countries in which the Target Company operates in or the Target Company may potentially operate in;

- All relevant legal approvals, business certificates, trade and import permits, bank credit approval have been procured, in place and in good standing prior to commencement of operations by the Target Company under the normal course of business;

- The Target Company will be able to retain existing and competent management, key personnel, and technical staff to support all facets of the ongoing business and future operations; and

- Trademarks, patents, technology, copyrights and other valuable technical and management knowhow will not be infringed in countries/regions where the Target Company is or will be carrying on business.

APPLICATION OF MARKET APPROACH

Principle of Market Approach

Under the Market Approach, the value of the Subjects of Valuation can be determined based on its (i) Most Recently Traded or Transacted Prices, (ii) Guideline Publicly-traded Comparable Method and, (iii) Comparable Transactions Method. The three valuation methods under the Market Approach are further discussed and selected below.

Recent Traded or Transacted Prices

Recent Traded or Transacted Prices of the exact same subject asset can provide the most objective indication of value or valuation multiple of the subject asset. Reliance on recent prices is the most intuitive way of price discovery in the marketplace under ordinary situations. The method is usually applied to value publicly traded companies and private companies with recent funding rounds on an arm's length basis. Apart observing the traded and transacted prices, further analyses on market activity have to be carried out to determine whether the subject asset can be purchased or sold in the same manner as the observed recent trades and transactions in the current marketplace.

Guideline Publicly-traded Comparable Method

Under the Guideline Publicly-traded Comparable ("**GPTC**") Method, the value is derived from last trading multiples of a selected set of Guideline Publicly-traded Comparable companies (the "**Comparable Companies**"). Trading multiples, which are measures of relative value, are computed by dividing the market capitalisations (or sometimes enterprise value) of the Comparable Companies by some identified value-driving economic variable(s) observed or calculated from their latest published fundamental data, being typically their financial metrics (such as revenue, earnings before interests and taxes, net profit, book equity) or other industry-specific value drivers as at the Valuation Date. A typical challenge in applying the GPTC Method is to identify a sufficient pool of relevant and sufficient Comparable Companies that are comparable to the Target Company in terms of their business models, underlying business risks and prospects.

Comparable Transactions Method

The Comparable Transactions Method ("**CTM**") drives value from observing the acquisition multiples at which sizable stakes of the similar companies were transacted between independent and informed willing buyers and sellers. Similar to the GPTC Method, the CTM determines the acquisition multiples from dividing the considerations transferred in comparable acquisitions by the relevant value-driving financial or industry-specific indicators. Application of CTM is typically subject to further limitations:

- Limited occurrence of recent comparable transactions;
- Availability and quality of public disclosure on transactions between private investors; and
- Limited information on the arm's length nature of the transactions.

Concluded Method under the Market Approach

Given the above considerations, we have only accepted the Guideline Publicly-traded Comparable Method. The following exhibit elaborates our selection and rejection reasons of the 3 methods under the Market Approach.

Summary of Selected Methods and Reasons

Methods under Market Approach	Application	Reasons
Recent Traded or Transacted Prices	Rejected	No reliable recent trades and transactions identified.
Guideline Publicly-traded Comparable Method	Accepted	A reliable pool of Comparable Companies identified with sufficient and reliable financial data disclosed.
Comparable Transactions Method	Rejected	No reliable pool of comparable transactions identified with sufficient and reliable financial data disclosed.

Under the Guideline Publicly-traded Comparable Method, value of the Target Company is determined based on its comparable peers' trading multiples. This principle is addressed by the valuation method to be discussed below.

Selection of the Valuation Metrics

The Target Company has a track record of earnings. As such, the most relevant and reliable financial metrics is its net earnings, and thus the corresponding valuation multiple selected is the price-to-earnings ("**P/E**") ratio. The enterprise value-to-sales ("**EV/S**") ratio and price-to-book ("**P/B**") ratio are considered but rejected as both ratios fail to capture the turnaround profitability of the business.

P/E ratio is a widely used valuation multiple for valuing a company with reliable earning record based on valuations of companies with similar earnings, risk and growth potential. It can provide simple and intuitive insights on how the market perceives the profitability and growth potential of business with similar nature. The Target Company is well-established and supported with turnaround profits in 2025, its recent profitability indicates a potential new growth phase, making the recent positive earnings a relevant foundation for valuation using the P/E ratio. Therefore, P/E ratio is computed to derive a comprehensive analysis. On the opposite, valuation of a profit earning company with other valuation multiples such as sales- or asset-based ratios might delink the company value with its profitability and distort the value.

On the other hand, other valuation multiples, such as EV/S ratio focus on revenue instead which could not capture the improvement in profitability directly; and P/B ratio is considered not appropriate for non-capital intensive industry where the Target Company currently is engaging in.

Selection of the Comparable Companies

The application of the GPTC Method depends on the selection of the Comparable Companies that shared sufficient similarities to underlying business of the Target Company so as to provide meaningful comparisons. We exercised due care in the selection of the Comparable Companies by using multiple screening criteria in deciding whether or not the business model of a particular Comparable Companies is relevant.

The Target Company is principally engaged in the provision of repair, maintenance, alteration and addition works and revenue was generated from Hong Kong. Our selection criteria and a list of the selected 18 Comparable Companies have been discussed as follows.

In selecting the Comparable Companies, we considered multiple screening criteria, including but not limited to, business description of the potential companies, in terms of lines of business by segments, primary operating location, operating and financial performance. In order to comprise a representative set of Comparable Companies to derive the valuation result, we performed our comparable search based on the following processes in the selection of the Comparable Companies.

The selection is mainly based on the searching through Bloomberg terminal and online searching. Criteria have to be set to ensure similarity between the Comparable Companies and the Target Company as follow:

- Principal business: Engaged in repair, maintenance, alteration and addition works and related services (with revenue generated thereunder constituting the largest segment and over 50% of total revenue);

- Principal location of operation: main business is operated in Hong Kong (largest revenue and over 50% by location); and

To compute quantitative screen, we have referred to the largest revenue percentage of the Target Company by products and geographical location segment. The application of majority rule (50% threshold) is a common practice because it is rare to find perfect (100%) comparable in real-world scenarios. Setting this threshold ensures the formation of a meaningful comparable dataset with a sufficient number of market comparables, thereby enhancing the reliability and representativeness of the analysis. Should the strict criterion (comparable with 100% revenue generated from RMAA and related service) be applied, all comparable companies with positive valuation multiple would still be included and there is no change to valuation result.

We have initiated our comparable search based on the above selection criteria. A pool of 18 related companies that are operating in similar principal activity, geographic operation segment and product mix as the Target Company were identified. We consider the list of Comparable Companies is exhaustive based on our research and selection criteria on a best-effort basis. The comparable pool has represented a complete comparable pool sufficient to form a fair and reasonable valuation opinion. The following list shows the Comparable Companies that we have identified in connection with this valuation.

#	Company Description	Principal Business Nature	Location
1	**Smart City Development Holdings Ltd. (8268 HK Equity)** Smart City Development Holdings Limited operates as a general contractor for construction contracting business. The Company involves in building construction work, electrical and mechanical (E&M) installation, and fitting-out works. Smart City Development Holdings conducts businesses in Hong Kong and China.	Construction contracting: 99% Money lending: 1%	Hong Kong
2	**Superland Group Holdings Limited (368 HK Equity)** Superland Group Holdings Limited provides providing fitting-out and maintenance services. The Company provides interior decorative parts upgrade, restoration improvement, repair, replacement installation, and other services. Superland Group Holdings offers services in Hong Kong.	Fitting-out service: 99% Repair and maintenance service: 1%	Hong Kong

#	Company Description	Principal Business Nature	Location
3	**Sheng Tang Holdings Limited (8305 HK Equity)** Sheng Tang Holdings Limited is an investment holding company primarily provides engineering services. The Company engages in repair, maintenance, alteration and addition (RMAA) works, as well as construction related services such as noise mitigation, architectural metalwork, and installation of cathodic protection systems. Sheng Tang serves customers in Hong Kong.	RMAA: 100%	Hong Kong
4	**China Supply Chain Holdings Limited (3708 HK Equity)** China Supply Chain Holdings Limited operates as a building maintenance and renovation service provider in Hong Kong. The Company offers maintenance, improvement and vacant flat refurbishment for public housing estates, public facilities and other public properties in Hong Kong. China Supply Chain Holdings provides services in Hong Kong.	Maintenance: 90% Renovation: 10%	Hong Kong
5	**Coolpoint Innonism Holding Limited (8040 HK Equity)** Coolpoint Innonism Holding Limited provides fitting-out and renovation services. The Company offers residential apartments interior fitting out, commercial buildings renovation, and other services. Coolpoint Innonism Holding provides services in Hong Kong.	Fitting out: 78% Renovation: 20% Nano-AM Work: 1% Reconciliation: 1%	Hong Kong
6	**Chi Ho Development Holdings Limited (8423 HK Equity)** Chi Ho Development Holdings Limited operates as a contractor for the provision of RMAA and fitting-out works services. The Company provides renovation, maintenance, alternation, and addition works and services.	RMAA: 74% Mixed project: 20% New capital works: 6%	Hong Kong
7	**Unity Enterprise Holdings Limited (2195 HK Equity)** Unity Enterprise Holdings Limited offers engineering services. The Company provides building repair, maintenance, and alteration services. Unity Enterprise Holdings conducts businesses in Hong Kong.	RMAA: 100%	Hong Kong
8	**Aeso Holding Limited (8341 HK Equity)** Aeso Holding Limited provides fitting-out and renovation contracting services. The Company offers construction of commercial and residential premises including alteration and addition, as well as construction planning, coordination, monitoring, and supervision services. Aeso Holding serves customers in Hong Kong.	Fitting-out: 87% Renovation: 13%	Hong Kong

#	Company Description	Principal Business Nature	Location
9	**Able Engineering Holdings Limited (1627 HK Equity)** Able Engineering Holdings Limited provides construction services. The Company offers building construction, interior designing, maintenance, fitting out, addition, alternation, and conversion. Able Engineering Holdings serves public and private sectors in Hong Kong.	Construction service: 100%	Hong Kong
10	**China New Holdings Limited (8125 HK Equity)** China New Holdings Limited offers engineering services. The Company provides engineering design, fitting out, and procurement management services. China New Holdings also conducts construction equipment leasing, finance, and wine trading businesses.	Design, fitting-out and engineering: 95% Leasing of construction equipment: 5%	Hong Kong
11	**SOCAM Development Limited (983 HK Equity)** SOCAM Development Limited operates as a construction and property management services. The Company specializes in new constructing projects such as public housing flats, community facilities, commercial buildings, healthcare, cultural establishments, and recreational infrastructure properties, as well as provides maintenance services. SOCAM Development serves customers in Hong Kong.	Construction and building maintenance: 96% Property: 4%	Hong Kong
12	**Sunray Engineering Group Limited (8616 HK Equity)** Sunray Engineering Group Limited provides building maintenance services. The Company offers waterproofing works, fire protection, and other related activities. Sunray Engineering Group serves customers in Hong Kong.	Provision of building protection work: 72% Supply of building protection product: 28%	Hong Kong
13	**Wing Fung Group Asia Limited (8526 HK Equity)** *(Note#)* Wing Fung Group Asia Limited manufactures mechanical ventilation and air conditioning building products. The Company produces and sells mechanical ventilation and air conditioning systems and other products. Wing Fung Group Asia also provides installation and fitting out services.	Construction contracts: 100%	Hong Kong
14	**Dimmi Life Holdings Limited (1667 HK Equity)** Dimmi Life Holdings Limited operates as a homebuilder. The Company builds and sells single family houses, apartments, prefabricated houses, and other buildings. Dimmi Life Holdings also provides personal care products development, housing renovation, building decoration, and other services in Hong Kong.	Construction & Engineering Service: 87% Lifestyle Products: 7% Property Development and Investment: 6%	Hong Kong

#	Company Description	Principal Business Nature	Location
15	**Rongzun International Holdings Group Ltd (1780 HK Equity)** Rongzun International Holdings Group Limited operates as a holding company. The Company, through its subsidiaries, provides fabrication, modification, installation, erection, relocation, and removal of partitions, doors, windows, and flooring materials, as well as offers site formation and civil engineering services. Rongzun International Holdings Group conducts business in Hong Kong.	Alteration & Addition Works: 54% Civil Engineering Works: 46%	Hong Kong
16	**Metaspacex Ltd. (1796 HK Equity)** Metaspacex Limited provides engineering services. The Company offers buildings interior renovation, makeovers, demolition, and other services. Metaspacex provides services in Hong Kong.	Decoration Engineering Services: 100%	Hong Kong
17	**FDB Holdings Limited (1826 HK Equity)** FDB Holdings Limited provides contracting and consulting services. The Company offers alteration, construction and project management, maintenance, MEP system design, licensing, architectural designing, and other services. FDB Holdings serves customers in Hong Kong.	Contracting Services: 100%	Hong Kong
18	**Wai Hung Group Holdings Limited (3321 HK Equity)** Wai Hung Group Holdings Limited operates as a holding company. The Company, through its subsidiaries, provides fitting-out services for casinos, retail areas, hotels, restaurants, commercial properties, and residential properties along with repair and maintenance services. Wai Hung Group Holdings serves customers in Asia.	Fitting-Out Services: 98% Repair & Maintenance Services: 2%	Hong Kong

Note#: Wing Fung Group Asia Limited ("**Wing Fung**") is selected as one of the comparable company as it shows similar characteristics to the Target Company. Projects of the Target Company also include the air-conditioning ventilation system installation even in the recent largest project of provision of RMAA services to hotel. Besides, Buildings Department explicitly suggest that alteration and addition works (A&A works) to buildings include addition of air-conditioning plants and system, so the principal business of Wing Fung certainly belongs to scope of RMAA works. From the perspective of valuation multiple, the P/E multiple of Wing Fung is considered as outlier (stated in proceeding paragraph), the inclusion of Wing Fung as Comparable Company has no impact on the valuation result under the average rule, given its exclusion as outlier.

Computation of the Valuation Multiple

Once we have identified the set of Comparable Companies and made necessary adjustments to their financial information, if any, the next step is to compute their P/E multiples on a reliable and consistent approach across all Comparable Companies. The P/E multiple is calculated by dividing the closing share price as of the Valuation Date by the latest available trailing 12-month earnings per share of the Comparable Companies, with the data sourced from the Bloomberg terminal.

#	Stock Code	P/E
1	8268 HK	(net loss)
2	368 HK	11.86
3	8305 HK	(net loss)
4	3708 HK	12.14
5	8040 HK	(net loss)
6	8423 HK	(net loss)
7	2195 HK	(net loss)
8	8341 HK	3.59
9	1627 HK	4.54
10	8125 HK	(net loss)
11	983 HK	(net loss)
12	8616 HK	(net loss)
13	8526 HK	18.18 *(Note^)*
14	1667 HK	(net loss)
15	1780 HK	(net loss)
16	1796 HK	(net loss)
17	1826 HK	6.71
18	3321 HK	(net loss)

Note^: With existence of outlier peer multiple 18.18x, being over double of average multiple 7.77x (if such outlier is excluded), it is considered an outlier multiple and excluded.

The median as measure of central tendency is highly resistant to the influence of outlier, thus median of full set of market multiple is used as benchmark for central tendency preserving the integrity of benchmark dataset. Together with calculation of the average of market multiples (excluding outlier), the lower of both is adopted in valuation for prudence. For completeness of data information, median (excluding outlier) of 6.71 is stated here for reference.

The summary statistics of the derived P/E multiples from Comparable Companies is listed as follows. With the removal of outlier data point, the remaining dataset becomes less dispersed, in such case, the average is a more statistically efficient and informative measure than the median as the average takes into account magnitude and distribution of all data points (except outlier) and the central tendency of dataset is more comprehensively described.

As at the Valuation Date	**P/E**
Number of valid valuation multiple	6
High	18.18
Upper quartile	12.07
Average (excluding outlier)	**7.77**
Median (before outlier)	9.29
Lower quartile	5.08
Low	3.59
Standard deviation	5.57
Coefficient of variance	0.59

Determination of Valuation Result

The trailing 12-month net profit for the year ended 31 March 2025 is the latest available financial information of the Target Company as of the Valuation Date, as such it is considered to be fair and reasonable to adopt in the valuation. The Market Value of the Target Company as at the Valuation Date is summarized as follow:

Selected Multiple		**P/E**
Adopted multiple (rounded)		7.77x
Net Profit of the Target Company		4,662,365
Estimated equity valuation		36,226,573
Add: Control premium ("**CP**")	15.6% *(Note*)*	5,662,658
Implied valuations before DLOM		41,889,231
Less: Discount for lack of marketability ("**DLOM**")	–15.6%	(6,534,720)
Implied Market Value of the Target Company		35,354,511
Implied Market Value of the Target Company (rounded)		35,355,000

Note:* The control premium of 15.6% is presented as a rounded figure while the actual calculation uses the full precise value, thus slight variance may occur and the values may not reconcile.

CONTROL PREMIUM

Control Premium (sometimes referred to as Market Participant Acquisition Premiums or MPAPs) are applied to reflect differences between the comparables and the Target Company with regard to the ability to make decisions and the changes that can be made as a result of exercising control. All else being equal, participants would generally prefer to have control over a subject asset than not. However, participants' willingness to pay a CP will generally be a factor of whether the ability to exercise control enhances the economic benefits available to the owner of the Target Company. CP may be quantified using any reasonable method, but are typically calculated based on either an analysis of the specific cash flow enhancements or reductions in risk associated with control or by comparing observed prices paid for controlling interests in publicly-traded securities to the publicly-traded price before such a transaction is announced.

The 2024 FactSet Review is an authoritative annual publication published in 2024 widely regarded as the cornerstone resource for mergers and acquisitions research and reference. It provides comprehensive, expertly curated rosters and statistical summaries of mergers and acquisitions transactions involving U.S. companies — including private, public, and cross-border deals. There is no such public research for deals in Hong Kong, and the US market often serves a comprehensive reference for valuation multiples due to its scale, transparency and availability of detailed transaction data and the comparative data is expected to provide relevant benchmark for mature economy such as Hong Kong in which Target Company is based. The 2024 FactSet Review is especially valued for its reliable data on transaction premiums paid which is considered useful in determining the control premium in valuation. In this case, we have made reference to the 2024 FactSet Review on average percentage premium offered for controlling equity interest to that for a minority equity interest from 2020 to 2024, the CP is arrived by referring to the median of 4-year data which is 15.6%.

DISCOUNT FOR LACK OF MARKETABILITY

A DLOM reflects the concept that when comparing otherwise identical assets, a readily marketable asset would have a higher value than an asset with a long marketing period or restrictions on the ability to sell the asset. For example, publicly-traded securities can be bought and sold nearly instantaneously while shares in a private company may require a significant amount of time to identify potential buyers and complete a transaction. Many bases of value allow the consideration of restrictions on marketability that are inherent in the subject asset but prohibit consideration of marketability restrictions that are specific to a particular owner. DLOMs may be quantified using any reasonable method, but are typically calculated using option pricing models, studies that compare the value of publicly-traded shares and restricted shares in the same company, or studies that compare the value of shares in a company before and after an initial public offering.

The 2024 Stout Restricted Stock Study is a widely used and authoritative empirical database that supports valuation professionals in determining marketability discount. It includes over 750 carefully screened restricted stock transactions, providing detailed data to compare with subject companies. This resource is recognized for its rigor, reliability, and industry acceptance, enabling professionals to make defensible and tailored discount determinations. In this case, we have made reference to the 2024 Edition Stout Restricted Stock Study of 779 private placement transactions of unregistered common stock issued by publicly traded companies. The discount was calculated by dividing the difference between the private placement price and the market reference price by the market reference price, and the DLOM is arrived at overall median discount of 15.6%.

STATEMENT OF LIMITING CONDITIONS

This valuation report relies upon the following contingent and limiting conditions:

1. We assume no responsibility for the legal matters including, but not limited to, legal or title concerns. Title to all subject business assets is assumed good and marketable.

2. The business interest and subject business assets have been valued free and clear of any liens or encumbrances unless stated otherwise. No hidden or apparent conditions regarding the subject business assets or their ownership are assumed to exist.

3. All information provided by the client and others is thought to be accurate. However, we offer no assurance as to its accuracy.

4. Unless stated otherwise in this report, we have assumed compliance with the applicable local laws and regulations.

5. Absent a statement to the contrary, we have assumed that no hazardous conditions or materials exist which could affect the Target Company or its assets. However, we are not qualified to establish the absence of such conditions or materials, nor do we assume the responsibility for discovering the same.

6. The report may not fully disclose all the information sources, discussions and business valuation methodologies used to reach the conclusion of value. Supporting information concerning this report is on file with our company.

7. The valuation analysis and conclusion of value presented in the report are for the purpose of this engagement only and are not to be used for any other reason, any other context or by any other person except the client to whom the report is addressed.

8. The opinion of value expressed in this report does not obligate us attend court proceedings with regard to the subject business assets, properties or business interests, unless such arrangements have been made previously.

9. Possession of this report does not imply a permission to publish the same or any part thereof. No part of this report is to be communicated to the public by means of advertising, news releases, sales and promotions or any other media without a prior written consent and approval by us.

10. This report is valid only for the date specified herein.

CONCLUSION OF VALUE

In conclusion, based on the analyses as fully described in this valuation report and the valuing methodologies which we have employed, we are of the opinion that the Market Value of Newco Construction Engineering Limited as at 31 March 2025 is as follows.

Subject of Valuation	Valuation Result
Market Value of 100% Equity Interest in Newco Construction Engineering Limited as at 31 March 2025	HK$35,355,000

The opinion of value was based on generally accepted valuation procedures and practices that rely extensively on the use of numerous assumptions and consideration of many uncertainties, not all of which can be easily quantified or ascertained.

We hereby certify that we have neither present nor any prospective interests in the subject under valuation. Moreover, we have neither personal interests nor any bias with respect to the any of the parties involved.

This valuation report is issued subject to our general service conditions.

Yours faithfully,
For and on behalf of
VALTECH VALUATION ADVISORY LIMITED

INVOLVED STAFF BIOGRAPHY

Jimmy Wong, *CPA, CFA, FRM, MFin, ABV (AICPA)*

Mr. Wong has solid experience in providing corporate valuation advisory and related consulting services in the past 15 years. Before joining Valtech Valuation, he gained rich exposure in valuation and related party transfer pricing consulting at a Big 4 accounting firm and a renowned valuation advisory group. Mr. Wong has led and signed off hundreds of valuations for a broad clientele, including private equity and venture capital funds, publicly listed and private groups, and state-owned enterprises, meeting the purpose of financial reporting, portfolio valuations, public listing and transactions, strategic restructuring, fundraising, litigation and dispute resolution, global tax compliance.

Throughout his career, Mr. Wong has gained client trust through navigating numerous challenging valuation agenda for high-profile projects led by renowned conglomerates, enterprises and organisations, and many listed groups in Hong Kong. His covers industries such as technology, media, and telecommunications, power utilities and renewable energy, automotive, banking and brokerage, venture capitalist and startups, biological and mining assets. Mr. Wong is awarded a lifetime member of the Beta Gamma Sigma Honour Society for his commitment on academic excellence in finance.

Keith Lui, *CFA, FRM*

Mr. Lui is a bachelor of science in quantitative finance and risk management science in university and has been working in the professional valuation field since 2013. Mr. Lui has been joining in business valuation industries for private and listed companies for the purposes of financial reporting, initial public offerings, mergers and acquisitions and financing since graduation. The scope of services includes business valuation, intangible asset valuation and financial instruments valuation.

He has participated in many representative projects, such as valuation of metal mining and processing in the PRC, oil and gas extraction in the United States and Canada, logistic hub in Singapore, container port in Brazil and household cleaning products in the United Kingdoms.

Bobby Zhu

Bobby Zhu has valuation experiences in various industries including but not limited to clean energy, manufacturing, utility and infrastructure, mining, etc. Prior to joining Valtech Valuation, he worked in another sizeable valuation firm where he participated in many business valuation projects to support clients for the purpose of financial reporting, mergers and acquisitions. He has also gained experience in performing valuation of projects for State-owned Assets Supervision and Administration Commission of the State Council (SASAC) filing in the PRC. Earlier to that, he worked as Corporate Financial analyst in Sony and Dell and Corporate Auditor in Natuzzi China. Bobby earned his Financial Management Degree from Shanghai University of Finance & Economics.

GENERAL SERVICE CONDITIONS

The service(s) we provide will conform to the professional appraisal standard. The proposed service fee is not contingent in any way upon our conclusions of value or result. All the data provided to us are assumed to be accurate without independent verification. As an independent contractor, we have and will reserve the right to use subcontractors. Furthermore, we have the right to retain all files, working papers or documents developed by us during the engagement for as long as we wish, which will also be our property.

The report we prepare is prohibited for any other use but only for the specific purpose stated herein. No reliance may be made by any third party on the report or part thereof without our prior written consent. The report along with this General Services Conditions could be shown to the third parties who need to review the information contained herein.

No one should rely on our report as a substitute for their own due diligence. No reference to our name or our report, in whole or in part, in any document you prepare and/or distribute to third parties may be made without our written consent. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses, or liabilities, including all fees of lawyers, including ours and the parties successfully suing us, to which we may become subject in connection with this engagement except in respect of our own negligence. Your obligation for indemnification and reimbursement shall extend to any of our management and employees, including any director, officer, employee, subcontractor, affiliate or agent. In the event we are subject to any liability in connection with this engagement, regardless the nature of the claim, such liability will be limited to the amount of fees we received for this engagement.

We will maintain the confidentiality of all conversations, documents provided to us, and the contents of our reports, subject to legal or administrative processes or proceedings. Meanwhile, we reserve the right to include your company/firm name in our client list.

The conditions stated in this section can only be modified by written documents executed by both parties.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS

(i) Long positions in Shares and underlying shares of the Company and its associated corporation

As at the Latest Practicable Date, none of the Directors and chief executive of the Company nor their associates had any interests and short positions in the Shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which each of them has taken or deemed to have taken under the SFO), or which would be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein, or which would be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Companies in Appendix C3 to the Listing Rules (the "**Model Code**"), to be notified to the Company and the Stock Exchange as at the Latest Practicable Date.

(ii) Substantial Shareholders'/other persons' interests and short positions in the Shares and underlying shares of the Company

As at the Latest Practicable Date, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company pursuant to provision of Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept under section 336 of the SFO:

Long positions in the Shares

Name of shareholder	Capacity/Nature of interest	Number of Shares held/ interested	Percentage of interest
Harvest Land Company Limited *(Note 1)*	Beneficial owner	519,720,000	36.87%
Mr. Yeung Wing Sun *(Note 1)*	Interest in controlled corporation	519,720,000	36.87%
Ms. Yu So Yin *(Note 2)*	Interest of spouse	519,720,000	36.87%
Mr. Yu Kei Ki	Beneficial owner	197,620,635	14.02%
Ms. Yui Cheung Yung	Beneficial owner	100,960,000	7.16%
Mr. Leung Yuen Keung *(Note 3)*	Interest of spouse	100,960,000	7.16%

Notes:

1. Harvest Land is beneficially owned as to 100% by Mr. Yeung Wing Sun. Mr. Yeung Wing Sun and Harvest Land are regarded as a group of controlling shareholders of Company under the Listing Rules acting in concert to exercise their voting rights in the Company and they together will be interested in a total of 36.87% of the issued share capital of the Company. Mr. Yeung Wing Sun is deemed to be interested in the Shares held by Harvest Land pursuant to the SFO.

2. Ms. Yu So Yin is the spouse of Mr. Yeung Wing Sun. Accordingly, Ms. Yu So Yin is deemed to be interested in all the Shares in which Mr. Yeung Wing Sun is interested under the SFO.

3. Mr. Leung Yuen Keung is the spouse of Ms. Yui Cheung Yung. Accordingly, Mr. Leung Yuen Keung is deemed to be interested in all the Shares in which Ms. Yui Cheung Yung is interested under the SFO.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware that there was any person (not being a Director or chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and was recorded in the register kept by the Company pursuant to section 336 of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter, into a service contract with any member of the Group which will not expire or is not determinable by the Group within one (1) year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTEREST IN CONTRACTS, ARRANGEMENTS AND ASSETS

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement subsisting as at the Latest Practicable Date which was significant in relation to the business of the Group taken as a whole.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2024 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

5. COMPETING INTERESTS

As at the Latest Practicable Date, so far as the Directors are aware, none of the Directors or his or her respective close associates was considered to have an interest in a business which competes or was likely to compete, either directly or indirectly, with the business of the Group other than those business to which the Directors or his or her close associates were appointed to represent the interests of the Company and/or the Group.

6. QUALIFICATIONS AND CONSENTS OF EXPERTS

The followings are the qualifications of the experts who have given opinions or advice which are contained in this circular:

Name	Qualification
OOP CPA & Co.	Certified Public Accountants under Professional Accountant Ordinance (Cap. 50 of Laws of Hong Kong) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Cap. 588 of Laws of Hong Kong)
Valtech Valuation Advisory Limited	Independent professional valuer

The above experts have given and has not withdrawn their written consent to the issue of this circular with the inclusion herein of their letter(s), report(s), opinion (as the case may be) and references to its name and logo in the form and context in which they respectively appear.

As at the Latest Practicable Date, each of the above experts:

(a) did not have any shareholding in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of the Group; and

(b) did not have any interest, either directly or indirectly, in any assets which have been, since the date to which the latest published audited financial statements of the Company were made up (i.e. 31 December 2024), acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries were engaged in any litigation or arbitration proceedings of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

8. MATERIAL CONTRACTS

Save and except for disclosed below, no material contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this circular and up to the Latest Practicable Date and are or may be material.

a. the sale and purchase agreement dated 22 March 2024 entered into between Keybase Assets Limited, Ms. Leung Yi Man and Wonder Holdings Limited in relation to the acquisition of the entire issued share capital of Wonder Holdings Limited in the consideration of HK$22,000,000;

b. the deed of profit guarantee dated 22 March 2024 entered into between Keybase Assets Limited, Ms. Leung Yi Man and Wonder Holdings Limited in relation to the acquisition of the entire issued share capital of Wonder Holdings Limited;

c. the sale and purchase agreement dated 22 October 2024 entered into among Keybase Assets Limited, Mr. Yau Chung Chor and Suntec Construction & Engineering Limited in relation to the acquisition of the entire issued share capital of Suntec Construction & Engineering Limited in the consideration of HK$45,700,000;

d. the deed of profit guarantee dated 22 October 2024 entered into among Keybase Assets Limited, Mr. Yau Chung Chor and Suntec Construction & Engineering Limited in relation to the acquisition of the entire issued share capital of Suntec Construction & Engineering Limited;

e. the supplemental sale and purchase agreement dated 24 December 2024 entered into among Keybase Assets Limited, Mr. Yau Chung Chor and Suntec Construction & Engineering Limited in relation to the acquisition of the entire issued share capital of Suntec Construction & Engineering Limited;

f. the promissory note dated 15 January 2025 issued by Keybase Assets Limited to Mr. Yau Chung Chor in the principal amount of HK$32,309,523, with a maturity period of two years; and

g. the sale and purchase agreement dated 6 August 2025 entered into among, Silver Crest Global Limited, Mr. Yuen Kin Wai and Newco Construction Engineering Limited in relation to the acquisition of the entire issued share capital of Newco Construction Engineering Limited in the consideration of HK$35,000,000.

9. GENERAL

(a) The company secretary of the Company is Ms. Leung Sau Fong. Ms. Leung is a member of Hong Kong Institute of Chartered Secretaries.

(b) The registered office of the Company is at 71 Fort Street, PO Box 500, George Town, Grand Cayman KY1-1106, Cayman Islands.

(c) The head office and principal place of business in Hong Kong of the Company is at Unit 1002, 10/F, Billion Trade Centre, 31 Hung To Road, Kwun Tong, Kowloon, Hong Kong.

(d) The address of the Company's branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

(e) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the respective website of the Company (www.hongdau.com.hk) and the Stock Exchange (www.hkexnews.hk) for a period of 14 days from the date of this circular:

(a) the sale and purchase agreement dated 22 March 2024 entered into between Keybase Assets Limited, Ms. Leung Yi Man and Wonder Holdings Limited in relation to the acquisition of the entire issued share capital of Wonder Holdings Limited in the consideration of HK$22,000,000;

(b) the deed of profit guarantee dated 22 March 2024 entered into between Keybase Assets Limited, Ms. Leung Yi Man and Wonder Holdings Limited in relation to the acquisition of the entire issued share capital of Wonder Holdings Limited;

(c) the sale and purchase agreement dated 22 October 2024 entered into among Keybase Assets Limited, Mr. Yau Chung Chor and Suntec Construction & Engineering Limited in relation to the acquisition of the entire issued share capital of Suntec Construction & Engineering Limited in the consideration of HK$45,700,000;

(d) the deed of profit guarantee dated 22 October 2024 entered into among Keybase Assets Limited, Mr. Yau Chung Chor and Suntec Construction & Engineering Limited in relation to the acquisition of the entire issued share capital of Suntec Construction & Engineering Limited;

(e) the supplemental sale and purchase agreement dated 24 December 2024 entered into among Keybase Assets Limited, Mr. Yau Chung Chor and Suntec Construction & Engineering Limited in relation to the acquisition of the entire issued share capital of Suntec Construction & Engineering Limited;

(f) the promissory note dated 15 January 2025 issued by Keybase Assets Limited to Mr. Yau Chung Chor in the principal amount of HK$32,309,523, with a maturity period of two years;

(g) the sale and purchase agreement dated 6 August 2025 entered into among, Silver Crest Global Limited, Mr. Yuen Kin Wai and Newco Construction Engineering Limited in relation to the acquisition of the entire issued share capital of Newco Construction Engineering Limited in the consideration of HK$35,000,000;

(h) the reports on the audited financial information of the Target Company for the three years ended 31 March 2023, 2024 and 2025, the text of which is set out in Appendix II to this circular;

(i) the report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix III to this circular;

(j) the valuation report of the Target Company prepared by Valtech Valuation Advisory Limited dated 31 March 2025, the text of which is set out in Appendix V to this circular;

(k) the consent letters referred to in the paragraph headed "Qualifications and Consents of Experts" in this Appendix; and

(l) this circular.

Unity Enterprise Holdings Limited
盈滙企業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2195)

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the "**Meeting**") of Unity Enterprise Holdings Limited (the "**Company**") will be held at Unit 1002, 10/F, Billion Trade Centre, 31 Hung To Road, Kwun Tong, Kowloon on Friday, 24 October 2025 (Friday) at 11:00 a.m., to consider, if thought fit, pass with or without modifications the following as ordinary resolution of the Company:

ORDINARY RESOLUTIONS

1. "**THAT**:

   (a) the sale and purchase agreement dated 6 August 2025 entered into among Silver Crest Global Limited, Mr. Yuen Kin Wai and Newco Construction Engineering Limited (the "**Sale and Purchase Agreement**") (a copy of which has been produced to the Meeting and initialed by the chairman of the Meeting for identification purpose), the transaction contemplated thereunder and any other ancillary documents, be and are hereby confirmed, approved and ratified, subject to such addition or amendment as any director(s) of the Company (the "**Director(s)**") may consider necessary, desirable or appropriate; and

   (b) any Director be and is hereby authorised for and on behalf of the Company to, amongst others, sign, execute and deliver or to authorise the signing, execution and delivery of all such documents and deeds, to do or authorise doing all such acts, matters and things as he/she may in his/her discretion consider necessary, expedient or desirable to give effect to and implement the Sale and Purchase Agreement and any ancillary documentation and the transaction contemplated thereunder."

2. "**THAT** subject to and conditional upon (i) the listing committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting approval for the listing of, and permission to deal in, the Consolidated Shares (as defined below); and (ii) the compliance with the relevant procedures and requirements under the laws of the Cayman Islands (where applicable) and the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") to effect the Share Consolidation (as defined below), with effect from the second business day immediately following the day of passing of this resolution:

   (a) every ten (10) issued and unissued ordinary shares of HK$0.01 each in the existing share capital of the Company be consolidated into one (1) ordinary share of HK$0.1 (each a "**Consolidated Share**"), and such Consolidated Share(s) shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the articles of association of the Company (the "**Share Consolidation**");

(b) any fractional Consolidated Shares resulting from the Share Consolidation will be disregarded and will not be issued to the shareholder(s) of the Company concerned, but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the Directors may think fit and/or repurchased (and, if thought fit, cancelled) in such manner and on such terms as the Directors may think fit; and

(c) any one or more Directors be and are hereby authorised to take such actions, do all such acts and things and execute all such further documents or deeds as they may, in their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Share Consolidation."

By Order of the Board
Unity Enterprise Holdings Limited
Chan Leung
Chairman and Executive Director

Hong Kong, 30 September 2025

Registered office:
71 Fort Street
PO Box 500
George Town
Grand Cayman
KY1-1106
Cayman Islands

Head office and principal place of business in Hong Kong:
Unit 1002, 10/F
Billion Trade Centre
31 Hung To Road
Kwun Tong, Kowloon
Hong Kong

Notes:

1. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead. A member who is the holder of two or more shares in the Company (the "**Shares**") may appoint more than one proxy to represent him and vote on his behalf at the Meeting. A proxy need not be a member of the Company.

2. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he were solely entitled thereto, but if more than one of such joint holders are present at the Meeting, personally or by proxy, that one of the said persons so present whose name stands first in the register in respect of such Shares shall alone be entitled to vote in respect thereof.

3. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office (the "**Branch Share Registrar**") of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) by 11:00 a.m. on Wednesday, 22 October 2025 or not less than 48 hours before the time fixed for holding of the Meeting (or any adjournment thereof).

4. The register of members of the Company will be closed from Monday, 20 October 2025 to Friday, 24 October 2025 (both days inclusive), during which period no transfer of the Shares will be effected. In order to qualify for attending the Meeting or any adjournment thereof, all transfers of Shares accompanied by the relevant share certificate(s) must be lodged with the Branch Share Registrar at the above address by no later than 4:00 p.m. on Friday, 17 October 2025.

5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the Meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

6. The Company reminds all shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the Meeting as their proxy to vote on the relevant resolutions at the Meeting instead of attending the Meeting in person, by completing and return the form of proxy.

7. If any shareholder chooses not to attend the Meeting in person but has any question about any resolution or about the Company, or has any matter for communication with the board of directors of the Company, he/she is welcome to send such question or matter in writing to the head office and principal place of business in Hong Kong of the Company or by fax at 2111 0892. If any shareholder has any question relating to the Meeting, please contact Computershare Hong Kong Investor Services Limited, the Company's Hong Kong branch share registrar as follows:

   Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.

8. If a tropical cyclone warning signal No. 8 or above or "extreme conditions" caused by typhoons is hoisted or a black rainstorm warning signal is in force at any time after 8:00 a.m. (Hong Kong time) on the date of the Meeting, the Meeting will be adjourned or postponed in accordance with the second amended and restated articles of association of the Company. The Company will post an announcement on the respective websites of the Stock Exchange at www.hkexnews.hk and the Company at www.hongdau.com.hk to notify the Shareholders of the date, time and venue of the rescheduled Meeting.

9. This notice is prepared in both English and Chinese. In the event of inconsistency, the English text of the notice shall prevail over the Chinese text.